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**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA**

FOR THE YEAR 1970-71

UNION GOVERNMENT (COMMERCIAL)

PART I

INTRODUCTION

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C. E. A. G.

Audit-Report—
(Commercial)

Parts. 1-VII)

1970-71

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ERRATA

Page No.	Reference	For	Read
(iii)	Line 2 from below Lines 2 and 3 from below	Insert 'e.g.' before Reserve Bank of India Insert "Nationalised Banks" before (Life Insurance Corporation of India).	
(vi)	Line 5 Lines 6 and 7	Part II-XIV containing results of the comprehensive in respect of the Undertakings	Parts II-XIV containing the results of comprehensive in respect of one of the Undertakings
14.	Table below (d) Profits Column 1—line 7	Financial	D. Financial
15	Para 11(b)—line 1	Fund	Funds
17	Table—last line	) TOTAL	(iv) TOTAL
25	Last but one line	operating	operating
29	Table below (d) Profits under 1968-69.	Rs. 1,317.53	Rs. 1,817.53
33	Table—Serial No. 2—Column 2	India	Indian
34	Column 1	—	Insert 3. before Bharat Heavy Electricals Limited.
41	Column 14—line 16	payment	Payment
51	Serial No. 38—Column 9	(—) 49.23	(—)49,23
53	Column 14—line 6 from bottom	on profit on	on profit of
57	Serial No. 49—Column 14—line 2	includes	include
70	Heading Column 7—lines 1 and 2	in-teres	in-terest
71	Bracket above remarks column	upees)	rupees)

1875

Date	Particulars	Amount
1875	Jan 1 Balance	100.00
1875	Jan 10 To Cash	50.00
1875	Jan 20 By Cash	25.00
1875	Jan 30 To Cash	75.00
1875	Feb 10 By Cash	30.00
1875	Feb 20 To Cash	60.00
1875	Feb 28 Balance	130.00
1875	Mar 10 To Cash	40.00
1875	Mar 20 By Cash	15.00
1875	Mar 30 To Cash	55.00
1875	Apr 10 By Cash	20.00
1875	Apr 20 To Cash	45.00
1875	Apr 30 Balance	105.00
1875	May 10 To Cash	35.00
1875	May 20 By Cash	10.00
1875	May 30 To Cash	25.00
1875	Jun 10 By Cash	15.00
1875	Jun 20 To Cash	40.00
1875	Jun 30 Balance	155.00
1875	Jul 10 To Cash	20.00
1875	Jul 20 By Cash	5.00
1875	Jul 30 To Cash	15.00
1875	Aug 10 By Cash	10.00
1875	Aug 20 To Cash	30.00
1875	Aug 30 Balance	160.00
1875	Sep 10 To Cash	15.00
1875	Sep 20 By Cash	5.00
1875	Sep 30 To Cash	10.00
1875	Oct 10 By Cash	5.00
1875	Oct 20 To Cash	20.00
1875	Oct 30 Balance	165.00
1875	Nov 10 To Cash	10.00
1875	Nov 20 By Cash	5.00
1875	Nov 30 To Cash	5.00
1875	Dec 10 By Cash	5.00
1875	Dec 20 To Cash	10.00
1875	Dec 30 Balance	170.00
1875	TOTAL	170.00

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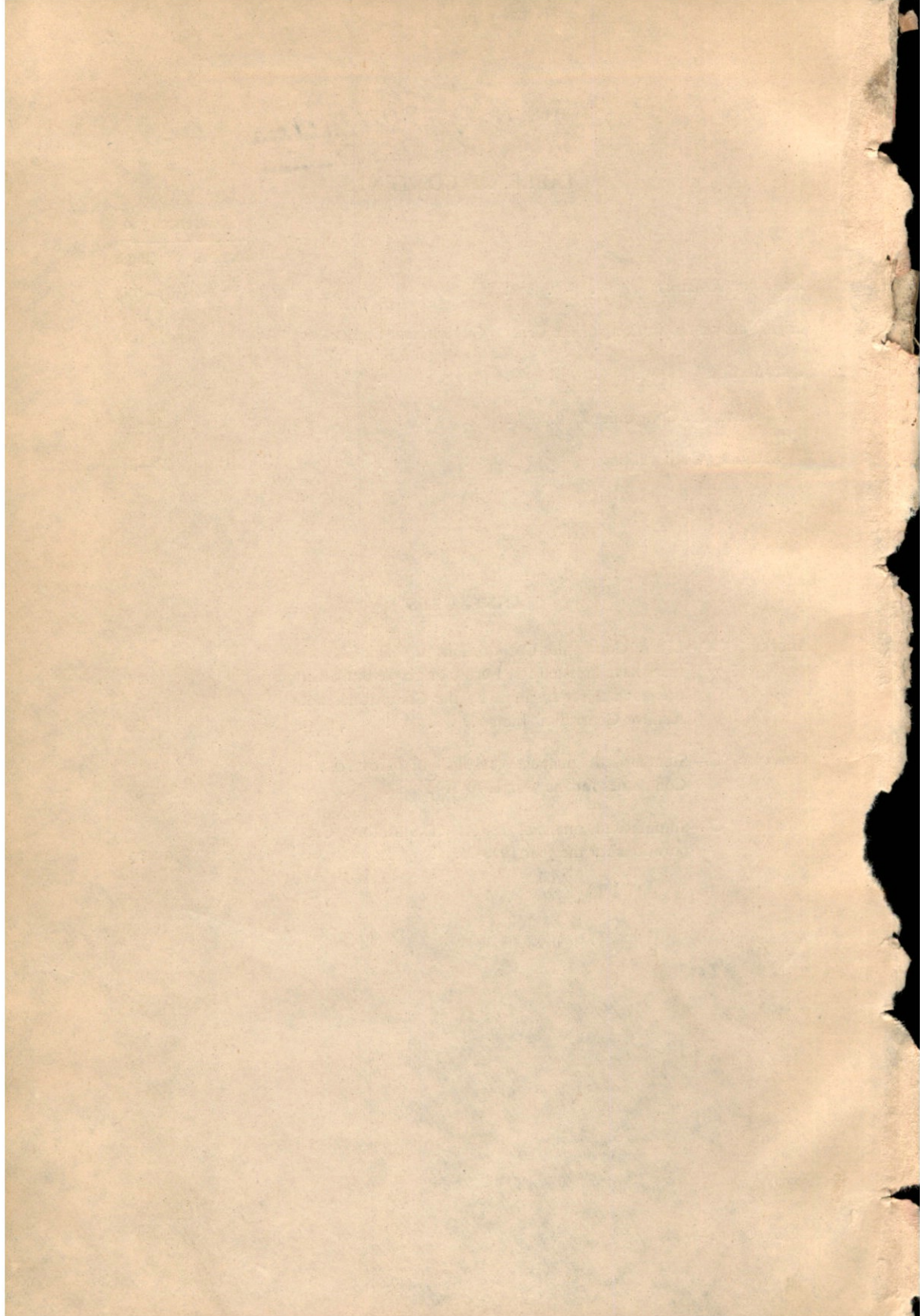
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PREFATORY REMARKS

Government commercial concerns, the accounts of which are subject to audit by the Comptroller and Auditor General of India fall under the following categories :—

- (i) Government Companies including subsidiaries of Government Companies.
- (ii) Statutory Corporations.
- (iii) Departmentally managed commercial undertakings.

The observations of Audit on all the above categories of Undertakings formed part of Central Government Audit Report (Civil) till 1962. Taking into consideration the number of Commercial Undertakings, the amount of money invested and the complex nature of these organisations, it was decided to present the audit comments relating to them with effect from 1963 in a separate volume known as Central Government Audit Report (Commercial).

Consequent upon the setting up of the Parliamentary Committee on Public Undertakings to deal with Government Companies and Corporations, the material relating to Departmentally managed commercial undertakings is discussed by the Public Accounts Committee alongwith the other material relating to other departments of Government. Hence, the report relating to Departmentally managed commercial undertakings forms part of Audit Report (Civil) with effect from 1969 and the Audit Report (Commercial) deals with the other two categories.

2. There are, however, certain Companies and Corporations where Government have invested funds but the accounts of which are not subject to audit by the Comptroller and Auditor General of India on account of;

- (a) Government holding less than 51 per cent. shares and the Company, therefore, not falling within the scope of Section 617 of Companies Act, 1956 (*e.g.* Jessop and Company Limited, etc.); and/or
- (b) there being no provision in the relevant statute establishing the Corporation for audit by the Comptroller and Auditor General of India (Reserve Bank of India, Food Corporation of India, Life Insurance Corporation of India).

A list of such Undertakings where Government investment is not less than 1 crore of rupees is given in Annexure 'A'.

In addition, the Comptroller and Auditor General of India is also not statutorily responsible for the audit of the accounts of :—

- (a) Companies floated by the Government Companies conjointly (e.g. Indian Consortium for Power Projects Limited).
- (b) Companies formed by the Government Companies in collaboration with others as joint ventures (e.g. Indian Oil Blending Limited).
- (c) Subsidiaries formed abroad under the laws of the respective country [e.g. State Trading Corporation of India (Canada) Limited].
- (d) Statutory bodies (e.g. State Bank of India, Industrial Finance Corporation of India) the majority interest in which vests with other statutory bodies (e.g. Reserve Bank of India, Industrial Development Bank of India).
- (e) Subsidiary Companies floated by statutory bodies [e.g. Hydrocarbons India (Private) Limited].

3. In the cases of Government Companies audit is conducted by professional auditors appointed on the advice of the Comptroller and Auditor General, but the latter is authorised under Section 619(3)(b) of the Companies Act, 1956 to conduct a supplementary or test audit. He is also empowered to comment upon or supplement the report submitted by the professional auditors. The Companies Act further empowers the Comptroller and Auditor General to issue directives to the auditors in regard to the performance of their functions. In March, 1962 such directives were issued by him to the auditors for looking into certain specific aspects of the working of Government Companies. These were revised in December, 1965 and February, 1969.

4. In respect of Air India, the Indian Airlines, the Oil and Natural Gas Commission and the Damodar Valley Corporation, which are statutory organisations, the Comptroller and Auditor General of India is the sole Auditor, while in respect of the Central Warehousing Corporation he has the right to conduct the audit of the concern independently of the audit conducted by the professional auditors appointed under the Act.

5. After considering the recommendations of the Administrative Reforms Commission, an Audit Board has been set up with effect from 1st April, 1969 under the supervision and control of the Comptroller and Auditor General of India for conducting a comprehensive appraisal of the working of the Government Companies and Corporations. The following Undertakings were selected for appraisal by the Audit Board during 1971-72. The relevant reports of these undertakings are included in the Report of the Comptroller and Auditor General of India for the year 1970-71—Union Government (Commercial) :—

1. Triveni Structural Limited.
2. Hindustan Housing Factory Limited.
3. Modern Bakeries (India) Limited.
4. Indian Drugs and Pharmaceuticals Limited.
5. Hindustan Shipyard Limited.
6. National Instruments and Ophthalmic Glass Limited.
7. National Coal Development Corporation Limited.
8. Hindustan Photo Films Manufacturing Company Limited.
9. Cochin Refineries Limited.
10. Film Finance Corporation Limited.
11. Hindustan Antibiotics Limited.
12. Hindustan Zinc Limited.
13. Central Warehousing Corporation.

Depending upon the requirements for appraisal of performance of the Undertakings selected for review during 1971-72, the Audit Board met in thirteen groups. Each group consisted of the Chairman, two whole-time members and two part-time members. The Chairman and two whole-time members are officers of the Indian Audit and Accounts Department and are appointed by the Comptroller and Auditor General of India. The two part-time members of each group were appointed by the Government of India in consultation with and the concurrence of the Comptroller and Auditor General of India.

6. As in the previous year, for facility of consideration the Report of the Comptroller and Auditor General of India for the year 1970-71—Union

Government (Commercial) will be presented in parts consisting of the following :—

Part I—Introduction—Indicating a general review of the working results of the Government Companies and Corporations.

Part II—XIV—Each part containing results of the comprehensive appraisal conducted by the Audit Board in respect of the Undertakings mentioned in para 5 above.

Part XV—Containing the irregularities noticed in the Undertakings not taken up for appraisal by the Audit Board and a resume of the Reports of Company Auditors submitted by them under the directives issued by the Comptroller and Auditor General of India.

7. In the beginning of the Part I of the Report the “Highlights on the working of the Government Companies during 1970-71” have been indicated for convenience. They indicate an overall picture of different types of industries but should not be viewed in isolation. The details are given in the Report.

8. The points brought out in Part XV of the Report have been noticed during test audit of the accounts of the concerned Undertakings. They are not intended to convey or to be understood as conveying any general reflection on the financial administration of the Undertakings concerned.

HIGHLIGHTS ON THE WORKING OF THE CENTRAL GOVERNMENT COMPANIES DURING 1970-71

The overall results in the aggregate of the working of 81 Central Government Companies disclosed a total net profit of Rs. 10.18 crores during 1970-71. This is the first year during which the working of the Central Government Companies taken in the aggregate resulted in a net profit. The return on capital invested increased from 2.5% in 1969-70 to 2.7% in 1970-71, and the return on capital employed increased from 3.4% in 1969-70 to 3.9% in 1970-71. In considering the profit and the return on capital, the following facts are also relevant :—

The total value of production/business of 78 Companies data in respect of which were analysed was seen to have increased from Rs. 2,092 crores in 1969-70 to Rs. 2,527 crores in 1970-71, registering a growth of 20.8%. The contribution to the exchequer in the form of Central Excise Duty by 24 Companies which were studied was about Rs. 396 crores, representing about 22.5% of the total collection of Central Excise Duty of the country during 1970-71. Export figures examined in respect of 22 Companies amounted to about Rs. 247 crores. It is also of interest to note the investment in all the Government Companies provided direct employment to 5,23,648 persons. The benefit in the shape of township facilities at concessional rates provided to the employees of 44 Companies during the year amounted to Rs. 13.31 crores. It may further be mentioned that 50 Companies turning out production of the value of Rs. 2,069 crores imported raw materials, stores and spare parts to the extent of Rs. 159 crores during 1970-71.

The details are indicated below.

- | | |
|--|--|
| 1. Number of Government Companies as on 31-3-1971. | 83 and 8 Subsidiaries. |
| 2. Number of Companies which prepared accounts. | 81 and 8 Subsidiaries. |
| 3. Paid-up capital of 81 Companies as on 31-3-1971. | Rs. 2,052.78 crores.
Increase of Rs. 177.19 crores over 31st March, 1970. |
| 4. Long-term loan capital of the 81 Companies as on 31st March, 1971. | Rs. 1,924.42 crores.
Increase of Rs. 176.96 crores over 31st March, 1970. |
| 5. Reserves and surplus (uncommitted) of these Companies as on 31st March, 1971. | Rs. 225.47 crores.
Increase by Rs. 50.35 crores over 31st March, 1970. |

- | | |
|--|---|
| 6. Capital invested in these 81 Companies as on 31st March, 1971. | Rs. 4,202.67 crores.
Increase by Rs. 404.50 crores over 31st March, 1970. |
| 7. Gross assets of 81 Companies as on 31st March, 1971. | Rs. 6,330.73 crores.
Increase by Rs. 746.52 crores over 31st March, 1970. |
| 8. Capital employed in 70 Companies (excluding Companies under construction) as on 31st March, 1971. | Rs. 2,827.27 crores.
Increase by Rs. 143.22 crores over 31st March, 1970. |
| 9. Value of production/business during 1970-71 for 78 Companies (including 8 Subsidiaries). | Rs. 2,527.07 crores.
Increase by Rs. 434.86 crores over 1969-70. |
| 10. Net sales during 1970-71 for 78 Companies (including 8 Subsidiaries). | Rs. 2,437.73 crores.
Increase by Rs. 390.68 crores over 1969-70. |
| 11. Sundry debtors as on 31st March, 1971 for 78 Companies (including 8 Subsidiaries). | Rs. 336.64 crores.
Increase by Rs. 42.92 crores over 31st March, 1970. |
| 12. Inventories as on 31st March, 1971 for 75 Companies (including 8 Subsidiaries). | Rs. 985.61 crores.
Increase by Rs. 153.28 crores over 31st March, 1970. |
| 13. Subsidy paid by Government to 21 Companies during 1970-71. | Rs. 14.71 crores.
Against Rs. 15.08 crores to 17 Companies in 1969-70. |
| 14. Total net profit earned by 81 Companies during 1970-71. | Rs. 10.18 crores.
Against total net loss of Rs. 3.33 crores incurred by 78 Companies during 1969-70. |
| 15. Return on capital invested during 1970-71 (<i>vide</i> para 8). | 2.7%.
As against 2.5% in 1969-70. |
| 16. Return on capital employed of 70 Companies (excluding Companies under construction) during 1970-71 (<i>vide</i> para 9). | 3.9%.
As against 3.4% in 1969-70. |
| 17. Percentage of value of production/business to capital employed during 1970-71 for 78 Companies (including 8 Subsidiaries). | 89.1%.
As against 77.8% in 1969-70. |
| 18. Percentage of sales to capital employed during 1970-71 for 78 Companies (including 8 Subsidiaries). | 86.0%.
As against 76.1% in 1969-70. |
| 19. Percentage of Sundry debtors to sales during 1970-71 for 78 Companies (including 8 Subsidiaries). | 13.8%.
As against 14.3% in 1969-70. |
| 20. Percentage of Inventories to sales for 75 Companies (including 8 Subsidiaries). | 40.4%.
As against 40.7% in 1969-70. |

	<i>Percentage of total sales.</i>
21. Customer Composition of 64 Companies in respect of which information was available, with total sales of Rs. 930.14 crores.	
Sales to Government Departments	24.7
Sales to Public Sector Undertakings	28.8
Exports	12.8
Sales to other parties	33.7
22. Employment statistics:	
(a) Total number of employees in 88 Companies in respect of which information was available, as on 31st March, 1971.	5,23,648.
(b) Salaries, wages, etc. charged in the accounts as on 31st March, 1971.	Rs. 276.87 crores.
(c) Average earnings per employee on the above basis.	Rs. 5,287 per annum.
23. Ratio of employees to capital investment as on 31st March, 1971. (The position has to be viewed in the light of the fact that most of Public Sector Undertakings are capital intensive and highly mechanised).	126 employees per Rs. 1 crore of capital investment.
24. Net expenditure on providing township facilities, after deducting rent receipts, etc. in 44 Companies in respect of which information was available, during 1970-71.	Rs. 13.31 crores.
25. Profit earned by 44 Companies in respect of which information was available, which provided township facilities, etc. after charging net expenditure on township during 1970-71.	Rs. 7.40 crores.
26. Housing provided up to 1970-71	1,70,815 employees out of 3,93,746 employees in the 44 Companies in respect of which information was available.
27. The cost of other facilities like educational facilities, medical facilities, social and cultural facilities, transport facilities, canteen subsidy, etc. during 1970-71.	Rs. 15.86 crores in 78 Companies in respect of which information was available.
28. Contribution to Central Revenue in the form of Central Excise Duty during 1970-71.	Rs. 395.73 crores by 24 Companies having value of production of Rs. 1,611.74 crores.
29. Exports by the 22 Companies in respect of which information was available, during 1970-71.	Rs. 247.03 crores.
30. Net foreign exchange earnings by 9 Companies in respect of which information was available, engaged in rendering services like shipping, ship repairing, consultancy, etc., during 1970-71.	Rs. 36.63 crores.
31. Expenditure incurred during 1970-71 on import of raw materials, stores and spare parts for production by 50 Companies in respect of which information was available.	Rs. 158.64 crores. Their value of production was Rs. 2,068.54 crores.



INTRODUCTION

I. GOVERNMENT COMPANIES

1. Number of Companies

There were 83 Companies with 8 subsidiaries (names indicated in Annexure 'B') of the Central Government as on 31st March, 1971 as against 82 Companies with 5 subsidiaries as on 31st March 1970. During the year 1970-71, 6 new Companies *viz.*, Housing and Urban Development Corporation Limited, Hindustan Paper Corporation Limited, Bharat Dynamics Limited, Cashew Corporation of India Limited, Cotton Corporation of India Limited and Engineering Projects (India) Limited were incorporated. 4 Companies *viz.* Indo-Burma Petroleum Company Limited, Indian Dairy Corporation, Bharat Pumps and Compressors Limited and Indian Oil International Limited, though incorporated during 1969-70, prepared their accounts for the first time during the year under report. 2 Companies *viz.* Ashoka Hotels Limited and Janpath Hotels Limited which were amalgamated with India Tourism Development Corporation Limited with effect from 28th March 1970, have not been included in the Report.

Out of 83 Government Companies, the accounts of 1 Company *viz.* State Farms Corporation of India Limited which were not received till 31st January 1972 have not been included in the Report and the accounts of 1 Company *viz.* Cotton Corporation of India Limited were not due as the Company was incorporated on 31st July, 1970.

2. Paid-up Capital

The total paid-up capital of the 81 Companies of the Central Government included in this Report stood at Rs. 2,052.78 crores at the end of 1970-71 representing an increase of Rs. 177.19 crores over the total paid-up capital of Rs. 1,875.59 crores of the 78 Companies as at the end of the previous year.

The break up of the paid-up capital of these Companies according to the investments made by the Central Government, State Governments and private parties as on 31st March, 1971 is as follows :—

(Rupees in thousands)

	Paid-up capital				Total
	No.	Central	State	Private parties	
(i) Companies fully owned by the Central Government (excluding subsidiaries)	64	18,98,36,35	..	..	18,98,36,35
(ii) Companies jointly owned by the Central Government and State Governments (excluding subsidiaries)	5	74,42,59	1,97,22	..	76,39,81
(iii) Companies jointly owned by the Central Government and private parties	5	19,12,65	..	12,00,72	31,13,37
(iv) Companies jointly owned by the Central Government, State Governments and private parties	7	34,15,29	6,30,36	6,43,15	46,88,80
TOTAL	81	20,26,06,88@	8,27,58	18,43,87@@	20,52,78,33
		98.7%	0.4%	0.9%	100.0%
Figures for the year 1969-70	78	18,48,78,21*	8,25,58**	18,55,42***	18,75,59,21
		98.6%	0.4%	1.0%	100.0%

@Includes Rs. 5,408.92 lakhs received for issue of shares.

@@Includes Rs. 0.16 lakh received for issue of shares and Rs. 5.27 lakhs received on forfeited shares.

*Includes Rs. 4,425.28 lakhs received for issue of shares.

**Includes Rs. 5.00 lakhs received for issue of shares.

***Includes Rs. 0.02 lakh received for issue of shares and Rs. 5.27 lakhs received on forfeited shares.

3. Loans

The long-term loans obtained by the Companies under review stood at Rs. 1,924.42 crores. This represented an increase of Rs. 176.96 crores over the long-term loans amounting to Rs. 1,747.46 crores of these Companies at the end of the previous year.

The break up of long-term loans according to the sources of finance viz. the Central Government, the State Governments, foreign credits and other parties, as on 31st March, 1971 is as follows :—

(Rupees in thousands)

	1969-70	Per-centage of total loans	1970-71	Per-centage of total loans	Increase/ Decrease in amount
(i) Central Government	14,10,85,86	80.7	15,20,21,98	79.0	(+)1,09,36,12
(ii) State Governments.	94,52	0.1	1,01,47	0.1	(+) 6,95
(iii) Foreign Credits	2,92,78,33	16.8	3,40,91,46	17.7	(+) 48,13,13
(iv) Others	42,87,38	2.4	62,26,98	3.2	(+) 19,39,60
TOTAL	17,47,46,09	100.0	19,24,41,89	100.0	(+)1,76,95,80

4. Interest

Government had granted 'interest holiday' on loans amounting to Rs. 357.10 crores in the case of Hindustan Steel Limited up to 31st March 1962; the recovery so waived amounted to Rs. 39.71 crores.

The Central Government had granted moratorium for periods ranging from 1 to 6 years in the case of 29 Companies for repayment of loans aggregating Rs. 148.87 crores provided to these Companies during 1970-71.

5. Guarantee

The Central Government guaranteed cash credit arrangements made by 24 Companies with the State Bank of India up to the total maximum limit of Rs. 91.32 crores. Against this limit the amount outstanding as on 31st March, 1971 aggregated Rs. 44.35 crores. Loans raised by 15 Companies were also guaranteed by Government, the amount outstanding as on

31st March, 1971 being Rs. 79.02 crores. In addition, Government gave guarantee in respect of the following :—

- (a) Repayment of principal and interest in respect of letters of credit offered by the State Bank of India to exporters abroad to draw on it for funds in payment of specified goods to be shipped to India (10 Companies).
- (b) Repayment of principal and interest and fulfilment of payment obligation in pursuance of agreements/letters of acceptance entered into with foreign consultants/contractors (19 Companies).

The maximum amount thus guaranteed as on 31st March, 1971 in the case of these Companies was Rs. 427.49 crores against which the actual amount outstanding as on that date was Rs. 200.30 crores (approx.).

6. Subsidy

Apart from the concessions mentioned in paras 4 and 5 above, subsidies have also been granted to some Companies for industrial housing schemes, as admissible to private sector Companies, hospitals, etc. During 1970-71, 21 Companies received such subsidies aggregating Rs. 1,471.17 lakhs. The cumulative total of subsidies paid by Government up to 31st March, 1971 was Rs. 8,723.41 lakhs.

7. Profits and dividends

7.01. According to the annual accounts of the above 81 Companies there was a total net profit of Rs. 1,017.99 lakhs as against the total net loss of Rs. 332.94 lakhs during the previous year.

The overall profit in 1970-71 was mainly due to the substantial reduction in the loss incurred in Heavy Electricals (India) Limited, Bharat Heavy Electricals Limited, Heavy Engineering Corporation Limited, Hindustan Steel Limited, Madras Refineries Limited, Hindustan Machine Tools Limited, Indian Drugs and Pharmaceuticals Limited, etc. and substantial increase in the profits earned by Hindustan Aeronautics Limited, Bharat Earth Movers Limited, Bharat Electronics Limited, Indian Telephone Industries Limited, Instrumentation Limited, Shipping Corporation of India Limited and Minerals and Metals Trading Corporation of India Limited, etc.

7.02. 43 Companies showed a profit of Rs. 8,141.48 lakhs which represented 17.3 per cent. of the paid-up capital of Rs. 469.79 crores invested in these Companies. 22 Companies declared dividends amounting to Rs. 1,344.29 lakhs representing 6.3 per cent. of the paid-up capital of Rs. 213.35

crores of these Companies. This works out to 0.7 per cent. on the total paid-up capital of Rs. 2,052.78 crores of all the Companies. The names of the Companies which declared dividends, the amount of dividend declared, etc. are indicated below :—

(Figures in thousands of Rupees)

Sl. No.	Name of the Company	Amount of dividend declared/proposed	Paid-up capital
1.	Hindustan Aeronautics Limited	1,00,82	50,41,00
2.	Bharat Earth Movers Limited.	47,59	11,89,80
3.	Bharat Electronics Limited	62,55	5,21,25
4.	Hindustan Teleprinters Limited	10,25	82,00
5.	Indian Telephone Industries Limited	61,50	4,94,61
*6.	Instrumentation Limited	23,37	3,89,53
7.	Hindustan Insecticides Limited	8,78	1,25,47
*8.	Indian Rare Earths Limited	12,00	1,75,00
9.	Manganese Ore (India) Limited	5,39	2,15,45
10.	Mogul Line Limited	10,12	1,01,19
11.	Shipping Corporation of India Limited	1,40,70	23,45,00
12.	Mazagon Dock Limited.	19,28	3,30,00
13.	Garden Reach Workshops Limited	21,00	3,00,00
14.	Indian Oil Corporation Limited	4,98,24	71,17,72
*15.	Cochin Refineries Limited	1,30,20	7,00,00
16.	Hindustan Housing Factory Limited	4,90	48,99
17.	Hindustan Steelworks Construction Limited	4,60	23,00
18.	State Trading Corporation of India Limited	1,40,00	7,00,00
19.	Minerals and Metals Trading Corporation of India Limited	30,00	3,00,00
*20.	Engineers India Limited	2,50	25,00
21.	National Industrial Development Corporation Limited	1,50	10,00
22.	Rural Electrification Corporation Limited	9,00	11,00,00
TOTAL		13,44,29	2,13,35,01

This includes dividends amounting to Rs. 168.07 lakhs declared by 4 *Companies after drawing from the General Reserve to the extent the profit for the year was not adequate.

7.03. 32 Companies in which the paid-up capital of Rs. 1,093.47 crores had been invested, sustained losses totalling Rs. 7,123.49 lakhs of which Rs. 6,553.09 lakhs (details given below) pertained to the following 14 Companies each of which incurred a loss of Rs. 1 crore or above.

(Rupees in thousands)

Sl. No.	Name of the Company	Paid-up capital	Loss incurred in 1970-71	Cumulative loss (upto 31-3-1971)
1.	Heavy Electricals (India) Limited	50,00,00	5,78,19	59,87,28
2.	National Instruments and Ophthalmic Glass Limited	3,25,96	1,34,77	3,72,53
3.	Heavy Engineering Corporation Limited	1,00,00,00	14,43,05	73,33,41
4.	Mining and Allied Machinery Corporation Limited	20,00,00	6,45,30	33,01,15
5.	Fertilisers and Chemicals, Travancore Limited	22,63,98	1,89,38	3,65,68
6.	Indian Drugs and Pharmaceuticals Limited	25,95,00	7,84,88	29,68,98
7.	Hindustan Photo Films Manufacturing Company Limited	5,82,00	2,72,99	9,23,63
8.	National Coal Development Corporation Limited	1,22,01,18	1,73,19	5,75,36
9.	Neyveli Lignite Corporation Limited	80,00,00	10,73,24	32,52,89
10.	National Mineral Development Corporation Limited	45,28,03	3,59,61	9,20,80
11.	Hindustan Zinc Limited	7,84,67	1,17,74	1,26,11
12.	Central Inland Water Transport Corporation Limited	2,08,00	1,08,55	4,98,49
13.	Hindustan Steel Limited	5,57,00,00	5,40,61	1,78,23,36
14.	National Projects Construction Corporation Limited	2,55,00	1,31,59	3,21,44
	TOTAL	10,44,43,82	65,53,09	4,47,71,11

7.04. In the case of the following Companies the cumulative loss is more than their paid-up capital :—

(Rupees in thousands)			
Sl. No.	Name of the Company	Paid-up capital as on 31-3-1971	Cumulative loss up to 31-3-1971
1.	Heavy Electricals (India) Limited	50,00,00	59,87,28
2.	National Instruments and Ophthalmic Glass Limited	3,25,96	3,72,53
3.	Mining and Allied Machinery Corporation Limited	20,00,00	33,01,15
4.	Indian Drugs and Pharmaceuticals Limited	25,95,00	29,68,98
5.	Hindustan Photo Films Manufacturing Company Limited	5,82,00	9,23,63
6.	Central Inland Water Transport Corporation Limited	2,08,00	4,98,49
7.	National Projects Construction Corporation Limited	2,55,00	3,21,44
8.	Tannery and Footwear Corporation of India Limited	23,42	1,06,01
9.	National Buildings Construction Corporation Limited	2,00,00	2,15,49
TOTAL		1,11,89,38	1,46,95,00

7.05. The details of the return on the paid-up capital according to the 3 categories of Running concerns, Promotional and Developmental Undertakings and Companies under construction for 1969-70 and 1970-71 are given below :—

(Rupees in lakhs)

	1969-70			1970-71		
	No.	Paid-up capital	Profit/Loss	No.	Paid-up capital	Profit/Loss
(i) Running concerns	60	1,44,111.61	(—) 283.40	61	1,51,340.70	(+)1,134.66
Companies which earned profit	32	42,155.79	(+)6,818.86	35	44,039.42	(+)8,002.92
Companies which incurred loss	28	1,01,955.82	(—)7,102.26	26	1,07,301.28	(—)6,868.26
A. Industrial	52	1,42,843.42	(—)1,852.71	54	1,49,945.70	(—) 517.45
Companies which earned profit	25	40,897.60	(+)5,249.08	30	42,864.42	(+)6,348.65
Companies which incurred loss	27	1,01,945.82	(—)7,101.79	24	1,07,081.28	(—)6,866.10
B. Trading and Services	4	1,083.19	(+)1,464.89	2	1,000.00	(+)1,500.21
Companies which earned profit	4	1,083.19	(+)1,464.89	2	1,000.00	(+)1,500.21
Companies which incurred loss	..	..	..	..	..	..
C. Consultancy	2	35.00	(+) 43.13	2	45.00	(+) 67.56
Companies which earned profit	1	25.00	(+) 43.60	1	25.00	(+) 69.42
Companies which incurred loss	1	10.00	(—) 0.47	1	20.00	(—) 1.86
D. Financial	2	150.00	(+) 61.29	3	350.00	(+) 84.34
Companies which earned profit	2	150.00	(+) 61.29	2	150.00	(+) 84.64
Companies which incurred loss	..	..	..	1	200.00	(—) 0.30
(ii) Promotional and Developmental Undertakings	9	1,617.44	(—) 22.33	9	2,889.04	(—) 8.06
Companies which earned profit	5	800.24	(+) 56.83	6	2,120.84	(+) 129.04
Companies which incurred loss	4	817.20	(—) 79.16	3	768.20	(—) 137.10
(iii) Companies under construction	9	41,830.16	(—) 27.21	11	51,048.59	(—) 108.61
Companies which earned profit	1	744.19	(+) 0.26	2	819.19	(+) 9.52
Companies which incurred loss	1	700.00	(—) 27.47	3	1,277.43	(—) 118.13
Companies which have not prepared Profit & Loss Account	7	40,385.97	..	6	48,951.97	..
TOTAL	78	1,87,559.21	(—) 332.94	81	2,05,278.33	(+)1,017.99

7.06. Out of 8 subsidiary Companies, 6 Companies (Handicrafts and Handlooms Exports Corporation of India Limited, Indian Motion Pictures Export Corporation Limited, Goa Shipyard Limited, Indian Oil International Limited, Indo-Burma Petroleum Company Limited and Cashew Corporation of India Limited) earned profits amounting to Rs. 154.65 lakhs and 2 Companies [Sambhar Salts Limited and Engineering Projects (India) Limited] incurred a loss of Rs. 6.22 lakhs. 3 Companies (Goa Shipyard Limited, Indo-Burma Petroleum Company Limited and Cashew Corporation of India Limited) which earned a profit of Rs. 145.93 lakhs declared dividends amounting to Rs. 28.42 lakhs on their paid-up capital of Rs. 260.07 lakhs. In the case of Indo-Burma Petroleum Company Limited dividend of Rs. 19.82 lakhs was paid out of Profit/General Reserve.

8. Return on Capital invested

As (a) the capital structure differs from Company to Company, (b) rates of interest charged on long-term loans given to the Companies are not uniform and (c) certain special facilities have been given by Government to some Companies, the profits indicated in the accounts of the Companies do not reflect the real comparable return on the total investment. In annexe 'B' an attempt has, therefore, been made to study the results on a uniform basis except to the extent that allowance has not been made for subsidies received from Government on various accounts. For this purpose, the capital taken into account is not merely the equity capital but the total paid-up capital, the long-term loans and the free reserves at the close of the year. Similarly, the return has been taken not only as the profit disclosed in the accounts but also as the interest paid on long-term loans. On this basis the return in 1970-71 on a total investment of Rs. 4,202.67 crores made in 81 Companies amounted to Rs. 113.50 crores being 2.7 per cent. of the investment as against 2.5 per cent. in 1969-70.

The return on capital invested according to the 3 groups of Undertakings mentioned in para 7 is indicated below :—

(Rupees in thousands)

	Capital invested	Profit/ Loss	Interest	Total return	Percentage of return on capital invested
(i) Running concerns	34,50,05,69	(+) 11,34,66	95,47,89	(+)1,06,82,55	3.1
A. Industrial	33,90,75,68	(—) 5,17,45	94,47,87	(+) 89,30,42	2.6
B. Trading and Services	52,56,94	(+) 15,00,21	97,14	(+) 15,97,35	30.4
C. Consultancy	1,02,17	(+) 67,56	..	(+) 67,56	66.1
D. Financial	5,70,90	(+) 84,34	2,88	(+) 87,22	15.3
(ii) Promotional and Developmental Undertakings	91,06,24	(—) 8,06	1,94,19	(+) 1,86,13	2.0
(iii) Companies under construction	6,61,55,47	(—) 1,08,61	5,89,43	(+) 4,80,82	0.7

9. Return on capital employed

In Annexure 'B' an attempt has been made to calculate the return on capital employed in respect of Running concerns and Promotional and Developmental Undertakings. For this purpose capital employed has been taken as net fixed assets (excluding capital work-in-progress) plus working capital. In calculating the return on capital employed interest charges on all kinds of borrowings, which are charged to the Profit and Loss Account before arriving at the net profit have been adjusted to the net profit/loss as disclosed in the Profit and Loss Account. On this basis, the return in 1970-71 on the total capital employed of Rs. 2,827.27 crores in 61 Running concerns and 9 Promotional and Developmental Undertakings amounted to Rs. 109.08 crores representing 3.9 per cent. of the capital employed as against

3.4 per cent. in 1969-70. Categorywise details of return on capital employed for 1970-71 are indicated below :—

(Rupees in thousands)						
	Capital employed	Profit/Loss	Interest	Total return	Percentage of return on capital employed	
(i) Running concerns	—61	27,43,64.86 (+)	11,34,66	95,82,45 (+)	1,07,17,11	3.9
A. Industrial	—54	26,71,69.77 (—)	5,17,45	93,97,03 (+)	88,79,58	3.3
B. Trading and Services	—2	66,73,42 (+)	15,00,21	1,82,54 (+)	16,82,75	25.2
C. Consultancy	—2	1,04.89 (+)	67,56	.. (+)	67,56	64.4
D. Financial	—3	4,16,78 (+)	84,34	2,88 (+)	87,22	20.9
(ii) Promotional and Developmental Undertakings	—9	83,62,10 (—)	8,06	1,98,67 (+)	1,90,61	2.3

10. In the following paragraphs a study of the rates of growth of paid-up capital, reserves and surplus, gross assets, value of production and profits and also of sources and uses of funds, inventories and sundry debtors in respect of 81 Companies and 8 subsidiary Companies has been made.

Rates of growth

(a) *Paid-up capital and reserves and surplus.*—The rate of growth of paid-up capital and reserves and surplus decreased in 1970-71 as compared to 1969-70 in the case of Running concerns, Promotional and Developmental Undertakings and Companies under construction as indicated below :—

	Paid-up capital and reserves and surplus			Rate of growth	
	1968-69	1969-70	1970-71	1969-70	1970-71
	Rs.	Rs.	Rs.		
(i) Running concerns	1,51,088.52	1,62,204.13	1,73,794.67	7.4%	7.1%
A. Industrial	1,47,685.02	1,58,520.69	1,69,644.65	7.3%	7.0%
B. Trading and Services	3,152.36	3,361.59	3,530.55	6.6%	5.0%
C. Consultancy	27.67	57.93	107.66	109.4%	85.8%
D. Financial	223.47	263.92	511.81	18.1%	93.9%
(ii) Promotional and Developmental Undertakings	1,088.29	2,681.57	5,472.35	146.4%	104.1%
(iii) Companies under construction	26,017.57	41,840.43	51,110.86	60.8%	22.2%
(iv) All the 3 groups	1,78,194.38	2,06,726.13	2,30,377.88	16.0%	11.4%

(b) *Gross assets*.—The rate of growth of total gross assets increased in 1970-71 as compared to 1969-70 in the cases of Running concerns and Promotional and Developmental Undertakings and declined in the case of Companies under construction.

(Rupees in lakhs)

	Total gross assets			Rate of growth	
	1968-69	1969-70	1970-71	1969-70	1970-71
	Rs.	Rs.	Rs.		
(i) Running concerns	4,58,941.04	5,01,615.67	5,53,680.25	9.3%	10.4%
A. Industrial	4,45,293.62	4,91,023.78	5,37,799.10	10.3%	9.5%
B. Trading and Services	13,252.85	10,088.84	15,039.45	..	49.1%
C. Consultancy	99.20	154.04	200.48	55.3%	30.1%
D. Financial	295.37	349.01	641.22	18.2%	83.7%
(ii) Promotional and Developmental Undertakings	5,483.39	7,753.14	11,409.72	41.4%	47.2%
(iii) Companies under construction	34,968.06	49,805.37	69,955.15	42.4%	40.5%
(iv) All the 3 groups	4,99,392.49	5,59,174.18	6,35,045.12	12.0%	13.6%

(c) *Value of Production*.—(i) The rate of growth of value of production declined in 1970-71 as compared to 1969-70 in the case of Running concerns and increased in the cases of Promotional and Developmental Undertakings and Companies under construction.

(Rupees in lakhs)

	Value of production			Rate of growth	
	1968-69	1969-70	1970-71	1969-70	1970-71
	Rs.	Rs.	Rs.		
(i) Running concerns	1,68,848.52	2,07,552.24	2,49,895.29	22.9%	20.4%
A. Industrial	1,42,229.81	1,73,546.56	1,99,017.45	22.0%	14.7%
B. Trading and Services	26,519.20	33,817.19	50,636.92	27.5%	49.7%
C. Consultancy	99.51	182.76	235.93	83.7%	29.1%
D. Financial	..	5.73	4.99	100.0%	..
(ii) Promotional and Developmental Undertakings	1,272.54	1,668.74	2,811.60	31.1%	68.5%
(iii) Companies under construction	..	20.49	290.39	100.0%	1,317.2%
(iv) All the 3 groups	1,70,121.06	2,09,241.47	2,52,997.28	23.0%	20.9%

(ii) The percentage of value of production to capital employed increased in 1970-71 as compared to 1969-70 in the case of Running concerns and Promotional and Developmental Undertakings as indicated below :—

(Rupees in lakhs)

	1969-70			1970-71		
	Value of production	Capital employed	Percentage of value of production to capital employed	Value of production	Capital employed	Percentage of value of production to capital employed
(i) Running concerns .	2,07,552.24	2,63,351.39	78.8	2,49,895.29	2,74,910.27	90.9
A. Industrial	1,73,546.56	2,57,960.46	67.3	1,99,017.45	2,67,642.20	74.4
B. Trading and Services .	33,817.19	5,158.49	655.6	50,636.92	6,743.41	750.9
C. Consultancy	182.76	60.95	299.9	235.93	107.88	218.7
D. Financial .	5.73	171.49	3.3	4.99	416.78	1.2
(ii) Promotional and Developmental Undertakings . .	1,668.74	5,555.01	30.0	2,811.60	8,684.66	32.4
TOTAL . .	2,09,220.98	2,68,906.40	77.8	2,52,706.89	2,83,594.93	89.1

(d) *Profits*.—The rate of growth of profits before tax increased in 1970-71 as compared to 1969-70 as indicated below :—

(Rupees in lakhs)

	Profits before tax			Rate of growth	
	1968-69	1969-70	1970-71	1969-70	1970-71
(i) Running concerns .	(−)2,658.69	(−)256.60	(+)1,274.55	90.3%	596.7%
A. Industrial .	(−)3,871.42	(−)1,825.91	(−) 448.40@	52.8%	75.4%
B. Trading and Services .	(+)1,155.18	(+)1,464.89	(+)1,573.50@@	26.8%	7.4%
C. Consultancy	(+)17.26	(+)43.13	(+) 65.11@@@	149.9%	51.0%
Financial .	(+)40.29	(+)61.29	(+) 84.34@@@@	52.1%	37.6%
(ii) Promotional and Developmental Undertakings .	(−)149.10	(−)18.29	(+) 0.48*	87.7%	102.6%
(iii) Companies under construction .	..	(−)27.21	(−)108.61**	..	(−)299.2%
(iv) All the 3 groups .	(−)2,807.79	(−)302.10	(+)1,166.42	89.2%	486.1%

@33 Companies earned profit of Rs. 6,421.47 lakhs.

25 Companies incurred loss of Rs. 6,869.87 lakhs.

@@3 Companies earned profit of Rs. 1,573.50 lakhs.

@@@1 Company earned profit of Rs. 69.42 lakhs.

2 Companies incurred loss of Rs. 4.31 lakhs.

@@@@2 Companies earned profit of Rs. 84.64 lakhs.

1 Company incurred loss of Rs. 0.30 lakh.

*8 Companies earned profit of Rs. 137.58 lakhs.

3 Companies incurred loss of Rs. 137.10 lakhs.

**2 Companies earned profit of Rs. 9.52 lakhs.

3 Companies incurred loss of Rs. 118.13 lakhs.

11. Sources and uses of funds

(a) *Internal Sources*.—Funds received from internal sources in 1969-70 and 1970-71 are indicated below :—

(Rupees in lakhs)

	1969-70		1970-71	
	Internal sources (i.e. Reserves and surplus, provisions and depreciation)	Percentage to total funds (i.e. internal and external)	Internal sources (i.e. Reserves and surplus, provisions and depreciation)	Percentage to total funds (i.e. internal and external)
(i) Running concerns	16,136.44	38.7	21,140.57	40.6
A. Industrial	18,165.83	39.7	20,290.61	43.4
B. Trading and Services	(—)2,113.74	..	739.44	14.9
C. Consultancy	32.84	59.9	46.44	100.0
D. Financial	51.51	96.0	64.08	21.9
(ii) Promotional and Developmental Undertakings	763.13	33.6	1,815.75	49.7
(iii) Companies under construction	114.42	0.8	251.28	1.2
(iv) All the 3 groups	17,013.99	28.5	23,207.60	30.6

NOTE—In arriving at the figure of internal sources, the losses incurred by the various Companies have not been taken into account.

(b) *External Sources*.—Fund received from external sources in 1969-70 and 1970-71 are indicated below :—

(Rupees in lakhs)

	1969-70		1970-71	
	External sources (i.e. additional capital, borrowings, etc.)	Percentage to total funds (i.e. internal and external)	External sources (i.e. additional capital, borrowings, etc.)	Percentage to total funds (i.e. internal and external)
(i) Running concerns	26,538.19	61.3	30,924.01	59.4
A. Industrial	27,564.33	60.3	26,484.71	56.6
B. Trading and Services	(—)1,050.27	..	4,211.17	85.1
C. Consultancy	22.00	40.1	..	..
D. Financial	2.13	4.0	228.13	78.1
(ii) Promotional and Developmental Undertakings	1,506.62	66.4	1,840.83	50.3
(iii) Companies under construction	14,722.89	99.2	19,898.50	98.8
(iv) All the 3 groups	42,767.70	71.5	52,663.34	69.4

12. Inventories

(i) Inventories of 63 Running Companies, 8 Promotional and Developmental Undertakings and 4 Companies under construction (partial production) as on 31st March, 1971 are indicated below. As on 31st March, 1971 the total inventory amounted to Rs. 98,561.47 lakhs as against the corresponding figure of Rs. 83,233.36 lakhs as on 31st March, 1970 and represented 40.4 per cent. of the net sales in 1970-71 and 40.7 per cent. in 1969-70. In the compilation of the figures the data relating to certain Companies of the following categories have been excluded :—

Number of Companies	Reasons
7	Companies carrying on insurance, financing business and consultancy services.
7	Companies under construction.
2	Accounts not received/not due.

	1969-70						1970-71						
	No. of Companies	Raw materials, stores and spares (including in-transit), loose tools, jigs and fixtures, etc.	Stock (finished and semi-finished goods)	Total	Net sales	Percentage of 5 to 6	No. of Companies	Raw materials, stores and spares (including in-transit), loose tools, jigs and fixtures, etc.	Stock (finished and semi-finished goods)	Total	Net sales	Percentage of 11 to 12	
	1	2	3	4	5	6	7	8	9	10	11	12	13
(i) Running concerns	60	48,281.15	33,879.94	82,161.09	2,03,118.36	40.4	63	53,174.62	43,955.87	97,130.49	2,41,034.27	40.3	
A. Industrial .	54	48,180.10	31,215.73	79,395.83	1,67,846.71	47.3	58	53,135.68	38,745.25	91,880.93	1,92,707.84	47.7	
B. Trading and Services .	4	100.17	2,618.31	2,718.48	35,112.41	7.7	3	38.31	5,206.50	5,244.81	48,048.72	10.9	
C. Consultancy	2	0.88	45.90	46.78	159.24	29.4	2	0.63	4.12	4.75	277.71	1.7	
(ii) Promotional and Developmental Undertakings .	9	198.38	782.33	980.71	1,504.37	65.2	8	180.79	744.38	925.17	2,591.89	35.7	
(iii) Companies under construction (partial production)	2	82.09	9.47	91.56	11.02	830.8	4	422.97	82.84	505.81	232.35	217.7	
)]TOTAL . . .	71	48,561.62	34,671.74	83,233.36	2,04,633.75	40.7	75	53,778.38	44,783.09	98,561.47	2,43,858.51	40.4	

(ii) *Expenditure incurred on import of raw materials, stores and spares, etc. for production.*—Total amount of foreign exchange spent on the import of raw materials, stores and spares, etc. by the Companies engaged in production/operation for the year 1969-70 was Rs. 127.28 crores (43 Companies in respect of which information was available) and for 1970-71 was Rs. 158.64 crores (50 Companies in respect of which information was available) and their corresponding value of production was Rs. 1,146.10 crores and Rs. 2,068.54 crores respectively.

13. (i) *Customer composition and analysis of sales.*—Information regarding customer composition viz. Government Departments, Public Sector Undertakings, Exports and other parties was available in respect of 51 Companies with a total sales of Rs. 478.87 crores in 1969-70 and 64 Companies with a total sales of Rs. 930.14 crores in 1970-71. The analysis indicates the following position :—

	Percentage of total sales	
	1969-70	1970-71
(i) Sales to Government Departments	32.6	24.7
(ii) Sales to Public Sector Undertakings	34.9	28.8
(iii) Exports	1.6	12.8
(iv) Sales to other parties	30.9	33.7

(ii) *Ratio of Sales to Capital employed.*—The figures of sales and capital employed for 1969-70 and 1970-71 are indicated below :—

	1969-70			1970-71		
	Sales	Capital employed	Percentage of sales to capital employed	Sales	Capital employed	Percentage of sales to capital employed
(i) Running concerns	2,03,124.09	2,63,351.39	77.1	2,41,039.26	2,74,910.27	87.7
A. Industrial	1,67,846.71	2,57,960.46	65.0	1,92,707.84	2,67,642.20	72.0
B. Trading and Services	35,112.41	5,158.49	680.7	48,048.72	6,743.41	712.5
C. Consultancy	159.24	60.95	261.3	277.71	107.88	257.4
D. Financial	5.73	171.49	3.3	4.99	416.78	1.2
(ii) Promotional and Developmental Undertakings	1,580.97*	5,555.01	28.5	2,733.53*	8,684.66	31.5
TOTAL	2,04,705.06	2,68,906.40	76.1	2,43,772.79	2,83,594.93	86.0

*Includes transactions relating to Hire purchase scheme of a Company.

It will be seen that the percentage of sales to capital employed increased in the case of Running concerns and Promotional and Developmental Undertakings in 1970-71 as compared to 1969-70.

(iii) *Sundry debtors/sales* .—The figures of sundry debtors and sales for the last 3 years are given below :—

(Rupees in lakhs)

Concerns	1968-69			1969-70			1970-71		
	Sundry debtors	Sales	Percentage of 2 to 3	Sundry debtors	Sales	Percentage of 5 to 6	Sundry debtors	Sales	Percentage of 8 to 9
1	2	3	4	5	6	7	8	9	10
(i) Running concerns	23,274.90	1,65,751.93	14.0	27,276.95	2,03,124.09	13.4	31,237.37	2,41,039.26	13.0
A. Industrial	18,991.97	1,38,123.32	13.8	23,862.10	1,67,846.71	14.2	27,211.15	1,92,707.84	14.1
B. Trading and Services	4,266.52	27,550.27	15.5	3,380.10	35,112.41	9.6	3,982.46	48,048.72	8.3
C. Consultancy	16.30	78.34	20.8	34.50	159.24	21.7	43.40	277.71	15.6
D. Financial	0.11	..	..	0.25	5.73	4.4	0.36	4.99	7.2
(ii) Promotional and Developmental Undertakings.	1,914.56*	1,182.95*	161.8	2,095.37*	1,580.97*	132.5	2,426.99*	2,733.53*	88.8
TOTAL	25,189.46	1,66,934.88	15.1	29,372.32	2,04,705.06	14.3	33,664.36	2,43,772.79	13.8
(iii) Companies under construction	30.18	..	..	77.20	11.02	700.5	76.40	232.35	32.9
GRAND TOTAL	25,219.64	1,66,934.88	15.1	29,449.52	2,04,716.08	14.4	33,740.76	2,44,005.14	13.8

*Includes transactions relating to Hire purchase scheme of a Company.

It will be seen that the percentage of Sundry debtors to sales decreased in 1970-71 as compared with the figures for 1968-69 and 1969-70.

14. (i) Although return on capital employed and capital invested are important parameters for the measurement of efficiency of working of undertakings, these cannot be taken as the sole criterion for measuring the efficiency and performance of the Public Sector Undertakings. Various socio-economic objectives like creation of employment opportunities, contribution to the national exchequer by way of 'duty', provision of housing and urban development, exports and foreign exchange earnings, etc. should also be taken into account. Some of these aspects are considered below :—

(a) *Central Excise Duty*.—The total amount of Central Excise Duty charged to the Profit and Loss Account in the accounts of 24 Companies (in respect of which information was available) during 1970-71 was Rs. 395.73 crores and the value of production of these Companies amounted to Rs. 1,611.74 crores.

(b) *Exports and foreign exchange earnings*.—(1) The total exports made by 22 Companies (in respect of which information was available) in 1970-71 was Rs. 247.03 crores and the net profit made thereon was Rs. 69.60 lakhs.

(2) Total foreign exchange earned by Companies engaged in rendering services (e.g. shipping, ship repairs, consultancy, etc.) in 1970-71 was Rs. 36.63 crores (9 Companies) as against Rs. 28.79 crores in 1969-70 (7 Companies).

(c) *Employment statistics*.—The total number of persons employed in 88 Companies (in respect of which information was available) as on 31st March, 1971, was 5,23,648.

(d) Total amount of salaries, wages and other benefits charged in the accounts in 1970-71 in respect of the above Companies was Rs. 276.87 crores.

(e) Incidence of salaries, wages and other benefits per employee on the basis of the data mentioned in (c) above works out to Rs. 5,287 per annum.

(f) Number of employees for every Rs. 1 crore of capital invested in respect of the above Companies works out to 126. [This position has to be viewed in the light of the fact that most of the Public Sector Undertakings are capital intensive and highly mechanised].

(ii) *Social overheads*

These have been analysed under two broad categories viz. township and other social overheads.

(a) Township maintenance

Information available in respect of 38 Companies for the year 1969-70 and 44 Companies in respect of 1970-71 has been analysed below :—

	(Rupees in lakhs)	
	1969-70	1970-71
(i) Maintenance and Administrative Expenses	1,035.88	1,114.11
(ii) Depreciation on Township	447.92	439.81
(iii) Interest on capital outlay	732.09	546.32
TOTAL	2,215.89	2,100.24
(iv) Rent receipts and others miscellaneous collections	662.70	769.42
(v) Net expenditure on Township	1,553.19	1,330.82

The net profit earned by these Companies in 1970-71 was Rs. 740.33 lakhs as against net loss of Rs. 3,124.12 lakhs incurred in 1969-70. Out of 3,93,746 employees in 44 Companies (in respect of which information was available) housing was provided to 1,70,815 employees up to 1970-71.

(b) Total cost of other social overheads like educational facilities, medical facilities, social and cultural activities, transport facilities, canteen subsidy, etc. amounted to Rs. 1,586.45 lakhs in 1970-71 (78 Companies) as against Rs. 1,108.19 lakhs (67 Companies) in 1969-70.

II. STATUTORY CORPORATIONS

1. Number of Corporations

There were 4 Central Government Corporations (Air India, Indian Airlines, Central Warehousing Corporation and Oil and Natural Gas Commission) as on 31st March, 1971 under the audit control of the Comptroller and Auditor General of India.

2. Paid-up capital

The total paid-up capital of the 4 Corporations stood at Rs. 211.45 crores at the end of 1970-71 and represented an increase of Rs. 20.86 crores over the total paid-up capital of Rs. 190.59 crores at the end of the previous year.

The break-up of the paid-up capital of these 4 Corporations according to the investments made by the Central Government and private parties as on 31st March, 1971 is as follows :—

(Rupees in thousands)				
	No.	Centre	Private parties	Total
(i) Corporations fully owned by the Central Government	3	2,00,68,45	..	2,00,68,45
(ii) Corporations jointly owned by the Central Government and private parties	1	8,82,00	1,94,66	10,76,66
TOTAL	4	2,09,50,45	1,94,66@	2,11,45,11
		99.1%	0.9%	100%
Figures for the year 1969-70	4	1,88,64,78	1,94,65@@	1,90,59,43
		99.0%	1.0%	100%

@Includes forfeited shares (Rs. 18,885).

@@Includes forfeited shares (Rs. 19,263).

3. Loans

The total long-term loans obtained by the 4 Corporations stood at Rs. 17,364.17 lakhs at the end of 1970-71 and represented an increase of Rs. 4,552.85 lakhs over the total long-term loans of Rs. 12,811.32 lakhs as at the end of the previous year.

The break-up of long-term loans of these Corporations according to the source of finance *viz.* Central Government, foreign credits and others as on 31st March, 1971 is as follows :—

(Rupees in thousands)					
	1969-70	Per-centage	1970-71	Per-centage	Increase (+) Decrease (—)
(i) Central Government	81,17,82	63.4	95,56,53	55.0	(+) 14,38,71
(ii) Foreign credits	43,58,09	34.0	75,82,32	43.7	(+) 32,24,23
(iii) Others	3,35,41	2.6	2,25,32	1.3	(—) 1,10,09
TOTAL	1,28,11,32	100.0	1,73,64,17	100.0	(+) 45,52,85

The Central Government have granted moratorium for 5 to 6 years for repayment of loans of Rs. 1,680.66 lakhs provided to two Corporations.

4. Guarantee

Government have guaranteed the loans to the extent of Rs. 46.80 crores raised by the following Corporations.

- (i) Air India Rs. 4,147.41 lakhs
- (ii) Oil and Natural Gas Commission Rs. 532.34 lakhs

Government have also guaranteed the repayment of the paid-up capital of the Central Warehousing Corporation to the extent of Rs. 10.77 crores.

The Government also gave guarantee in respect of the repayment of principal and interest and fulfilment of payment obligation in pursuance of agreements/letters of acceptance entered into with foreign consultants/contractors in the case of 2 Corporations. The maximum amount thus guaranteed as on 31st March, 1971 was Rs. 44.62 crores against which the actual amount outstanding as on that date was Rs. 26.33 crores (approx.).

5. Subsidy

Air India and Indian Airlines received as subsidy Rs. 6.60 lakhs and Rs. 1.41 lakhs respectively up to 31st March, 1971 for Staff Housing Scheme from the Government of Maharashtra.

Besides, Indian Airlines also receives subsidy for the operation of certain routes every year. During the year 1970-71 it received Rs. 81.21 lakhs as subsidy for this purpose. The total subsidy received on this account up to 31st March, 1971 amounted to Rs. 600.90 lakhs.

Central Warehousing Corporation received Rs. 10.41 lakhs as subsidy from National Co-operative Development Corporation to cover its working deficit up to 1963-64.

6. Profits

According to the annual accounts of these Corporations the total net profit earned during the year 1970-71 was Rs. 819.12 lakhs as against the total net profit of Rs. 1,611.84 lakhs in the previous year. The net profit for the year 1970-71 represented 7.6 per cent. on the paid-up capital of Rs. 211.45 crores.

7. Return on Capital invested

For the reasons stated in para 8 of Section 1 which also hold good in the case of Corporations, an attempt has been made in Annexure 'C' to analyse the working results of the Corporations on a uniform basis. On this basis the return in 1970-71 on a total investment of Rs. 473.52 crores made in these Corporations amounted to Rs. 19.09 crores representing 4.0 per cent. of the investment.

8. Return on capital employed

The return in 1970-71 on total capital employed of Rs. 299.67 crores in these Corporations amounted to Rs. 15.65 crores being 5.2 per cent of capital employed.

9. Working Results

The working results of individual Corporations are indicated below :—

(i) *Air India*.—The Corporation earned a profit of Rs. 269.86 lakhs during 1970-71 as against Rs. 227.01 lakhs in the previous year.

During the years 1967-68 to 1969-70, interest payable on dollar borrowings for the purchase of the Corporation's Boeing 747 fleet, amounting to Rs. 8,22,882, Rs. 25,67,394 and Rs. 76,30,555 respectively was charged to the Profit and Loss Account. However, interest charges on such loans amounting to Rs. 1.60 crores pertaining to the year under audit have been capitalised. Had the practice of the previous year been followed, the net surplus of the Corporation would have been reduced from Rs. 2.70 crores to Rs. 1.10 crores. Some of the factors which affected the profitability of the year's operations are given below :—

(a) the retrospective wage revisions effected under settlements reached with staff unions resulted in a substantial increase in the wages and related staff costs, amounting to Rs. 403.63 lakhs, Rs. 334.90

lakhs in India and Rs. 68.73 lakhs outside India, for the two years 1969-70 and 1970-71;

- (b) because of the Corporation's very high utilisation rate, the loss of the 707 aircraft entailed a substantial curtailment of operations;
- (c) the two-day strike by employees in December resulted in a loss of approximately Rs. 26.00 lakhs; and
- (d) there was a considerable decrease in tourist traffic to India owing to frequent dislocations in the services of Indian Airlines and the subsequent lock-out which lasted for about two weeks in March, 1971.

The Corporation declared a dividend at the rate of 6 per cent. on its equity capital for the year 1970-71 as in the previous year. The dividend was paid out of the General Reserve.

(ii) *Indian Airlines*.—The Corporation incurred a loss of Rs. 467.60 lakhs during 1970-71 as against a profit of Rs. 228.43 lakhs in the previous year.

The net loss for the year 1970-71 will still be higher if the following factors are taken into account :—

- (a) The estimated liability of Rs. 176 lakhs that may become payable on the finalisation of the negotiations with the different staff organisations and Unions.
- (b) Interest on Insurance Fund Investment amounting to Rs. 10.54 lakhs, being treated as an accretion to the Fund here-to-fore, has been treated as non-operating revenue with effect from 1970-71.

The Management have stated that the increase in operating expenditure together with the drop in the revenue were the main factors responsible for the adverse working results. According to the Management, drop in revenue was the result of labour unrest, strikes and lock-outs resulting in dislocation and cancellation of services, loss of three F-27 aircraft, stoppage of overflying Pakistan territory leading to suspension of services to Kabul and their curtailment in the Eastern Region. The increase in expenditure has been explained to be due to the increase in salaries and wages, increase in insurance charges to cover hijacking losses, increase in fuel prices and depreciation charges following the acquisition of Boeing 737 aircraft.

Consequent on the loss of three aircraft, there was increased utilisation of the uneconomic Dakota aircraft which also added to the higher operating expenses.

(iii) *Central Warehousing Corporation*.—The Corporation earned a profit of Rs. 94.56 lakhs during 1970-71 as against a profit of Rs. 86.02 lakhs in the previous year.

In the case of this Corporation the dividend has been guaranteed @ $3\frac{1}{2}$ per cent. Government paid Rs. 156.18 lakhs to this Corporation up to 31st March, 1971 to meet the liability for guaranteed dividend up to 1967-68. As the profits for 1968-69 to 1970-71 were adequate to meet the liability for guaranteed dividend for these years, no amount is payable by Government on this account.

(iv) *Oil and Natural Gas Commission*.—The Commission earned a profit of Rs. 922.30 lakhs during the year 1970-71 as against a profit of Rs. 1,070.38 lakhs in the previous year.

In August, 1968 Government decided that the funds advanced so far to the Commission shall be treated as if they were 'Capital' in the case of a Government Company on which the Commission shall pay to the Government of India a return @ 5 per cent. per annum and that the payment of the return shall be first charge on the profits of the Commission after meeting their revenue expenditure e.g. expenditure on production, payment of interest, etc. and shall become payable from the year in which the Commission have surplus i.e. when the Commission does not receive funds from the Government either as 'Capital' or as 'Loan'. As a result of this unorthodox arrangement no return on 'Capital' has become due in 1970-71 (as in 1968-69 and 1969-70) as the Commission had drawn funds in the form of 'Capital' or 'Loans' in that year, even though there was sufficient profit to declare the prescribed dividend @ 5 per cent. per annum.

10. In addition to the 4 Corporations referred to in the preceding paragraphs, the Damodar Valley Corporation is also under the exclusive audit control of the Comptroller and Auditor General of India. The Corporation was constituted under the Damodar Valley Corporation Act, 1948 with the main object of flood control, irrigation and power generation and distribution. The capital of the Corporation is contributed by the Central Government and the Governments of West Bengal and Bihar under Section 30 of the Damodar Valley Corporation Act. With effect from 1st April, 1966 the Corporation has switched over to commercial system of accounting. The tables below indicate the capital contribution of the participating Governments as on 31st March, 1971 (object-wise) and the divisible surplus/deficit of the 3 main objects for the last 3 years :—

Capital contribution as on 31st March, 1971

(Rupees in crores)

Name of the Government	Flood control	Irrigation	Power	Total contribution up to 31st March 1971
1. Central Government	7.00	..	49.09	56.09
2. West Bengal Government	11.72	42.46	55.09	109.27
3. Bihar Government	..	0.24	49.12	49.36
	18.72	42.70	153.30	214.72

Divisible surplus/Deficit

(Rupees in lakhs)

	1968-69	1969-70	1970-71	Total
1. Power	(+) 77.86	(+) 16.40	(+) 5.65	(+) 99.91
2. Irrigation	(-) 162.82	(-) 170.12	(-) 187.73	(-) 520.67
3. Flood control	(-) 109.38	(-) 114.13	(-) 117.53	(-) 341.04
	(-) 194.34	(-) 267.85	(-) 299.61	(-) 761.80

Surplus under power is distributed in equal proportion among the three participating Governments while deficit under flood control is allocated to the Government of West Bengal only, that under irrigation is shared by the Governments of West Bengal and Bihar in the proportion of the respective shares of the participating Governments in the total capital cost attributed to the object "Irrigation".

According to the formula, the share of the net deficit as at 31st March, 1971 of the two State Governments was as follows :—

(Rupees in lakhs)

	Government of West Bengal	Government of Bihar
1. Irrigation	1,340.78	9.26
2. Flood control	867.22	..
TOTAL	2,208.00	9.26

Out of the total net deficit of Rs. 2,208.00 lakhs allocated to the Government of West Bengal, adjustments have been made till the end of 1970-71 to the extent of Rs. 1,995.10 lakhs (Rs. 1,444.73 lakhs representing interest on capital, Rs. 173.42 lakhs, being the share of revenue surplus under 'power' and Rs. 376.95 lakhs, the expenditure incurred by the Government of West Bengal for operation and maintenance of D.V.C. Barrage and irrigation system on agency basis) thereby leaving a balance of Rs. 212.90 lakhs still to be adjusted.

Out of the net deficit of Rs. 9.26 lakhs allocated to the Government of Bihar, adjustments were carried out till the end of 1970-71 to the extent of Rs. 6.99 lakhs being the share of revenue surplus under 'Power' thereby leaving a balance of Rs. 2.27 lakhs still to be adjusted.

11. Rates of growth (4 Corporations referred to in para 1)

(a) *Paid-up capital and reserves and surplus.*—The rate of growth of paid-up capital and reserves and surplus of the Corporations increased in 1970-71 as compared with that of 1969-70 as indicated below :—

(Rupees in lakhs)

Paid-up capital and reserves and surplus			Rate of growth	
1968-69	1969-70	1970-71	1969-70	1970-71
Rs.	Rs.	Rs.		
24,568.14	26,881.18	31,223.71	9.4%	16.2%

(b) *Gross assets.*—The rate of growth of total gross assets of the Corporations increased in 1970-71 as compared with that of 1969-70 as indicated below :—

(Rupees in lakhs)

Total gross assets			Rate of growth	
1968-69	1969-70	1970-71	1969-70	1970-71
Rs.	Rs.	Rs.		
48,302.23	55,153.15	67,000.13	14.2%	21.5%

(c) *Value of production.*—The rate of growth of value of production/business of the Corporations declined in 1970-71 as compared with that of 1969-70 as indicated below :—

(Rupees in lakhs)

Value of production/business			Rate of growth	
1968-69	1969-70	1970-71	1969-70	1970-71
Rs.	Rs.	Rs.		
13,612.31	15,288.46	16,132.50	12.3%	5.5%

(d) *Profits*.—The rate of growth of profits before tax of the Corporations decreased in 1970-71 as compared with that of 1969-70 as indicated below :—

(Rupees in lakhs)

Profits before tax			Rate of growth	
1968-69	1969-70	1970-71	1969-70	1970-71
Rs. 1,317.53	Rs. 1,611.84	Rs. 819.12	(—)11.3%	(—)49.2%

12. Sources and uses of funds (4 Corporations referred to in para 1)

(a) *Internal sources*.—Funds received by the Corporations from internal sources in 1969-70 and 1970-71 are indicated below :—

(Rupees in lakhs)

Internal sources	Percentage to total funds (i.e. internal and external)	Internal sources	Percentage to total funds (i.e. internal and external)
1969-70		1970-71	
Rs. 4,778.60	69.8	Rs. 4,139.38	34.9

(b) *External sources*.—Funds received by the Corporations from external sources in 1969-70 and 1970-71 are indicated below :—

(Rupees in lakhs)

External sources	Percentage to total funds (i.e. internal and external)	External sources	Percentage to total funds (i.e. internal and external)
1969-70		1970-71	
Rs. 2,072.32	30.2	Rs. 7,707.60	65.1

The main feature indicated by the above data is the relative importance of external sources in the case of all the Corporations taken together.

13. Analysis of Sales

(a) Information regarding customer composition *viz.*, Government Departments, Public Sector Undertakings, others, etc. was available in respect of 1 Corporation out of 4. The analysis indicated the following :—

(Percentage of total sales)

	1969-70	1970-71
(i) Sales to Government Departments . . . . .	..	2.9
(ii) Sales to Public Sector Undertakings	98.9	95.6
(iii) Sales to others	1.1	1.5

(b) *Sundry debtors* (4 Corporations referred to in para 1)

The figures of sundry debtors and sales of the Corporations for the last three years are given below :—

(Rupees in lakhs)

1968-69			1969-70			1970-71		
Sundry debtors	Sales	Per-centage of column 1 to column 2	Sundry debtors	Sales	Per-centage of column 4 to column 5	Sundry debtors	Sales	Per-centage of column 7 to column 8
1	2	3	4	5	6	7	8	9
Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	
3,204.53	13,613.79	23.5	3,125.41	15,287.31	20.4	3,226.88	16,131.93	20.0

The percentage of sundry debtors to sales decreased in 1970-71 as compared with that of 1969-70.

14. The remarks mentioned in para 14.1 of section 1 hold good in the case of the Corporations also. Some of the aspects are considered below :—

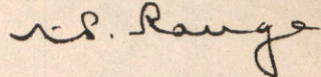
(a) *Central excise duty*.—The total amount of central excise duty charged to the profit and loss account of 1 Corporation (in respect of which information was available) during 1970-71 was Rs. 3.51 crores and the volume of the business done was Rs. 44.49 crores.

(b) *Foreign exchange earnings.*—Total foreign exchange earned by Corporations engaged in rendering services in 1970-71 was Rs. 21.30 crores (2 Corporations) as against Rs. 18.37 crores (2 Corporations) in 1969-70.

(c) *Employment statistics.*—The total number of persons employed in 4 Corporations as on 31st March, 1971 was 48,479.

(d) Total amount of salaries, wages and other benefits charged in the accounts in 1970-71 in respect of the above Corporations was Rs. 48.33 crores.

(e) Incidence of salaries, wages and other benefits per employee on the basis of the data mentioned in (c) above works out to Rs. 9,969/- per annum.

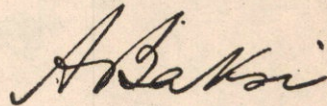


(R. P. RANGA)

*Chairman, Audit Board and
Ex-officio Additional Deputy
Comptroller and Auditor
General (Commercial).*

NEW DELHI;
The

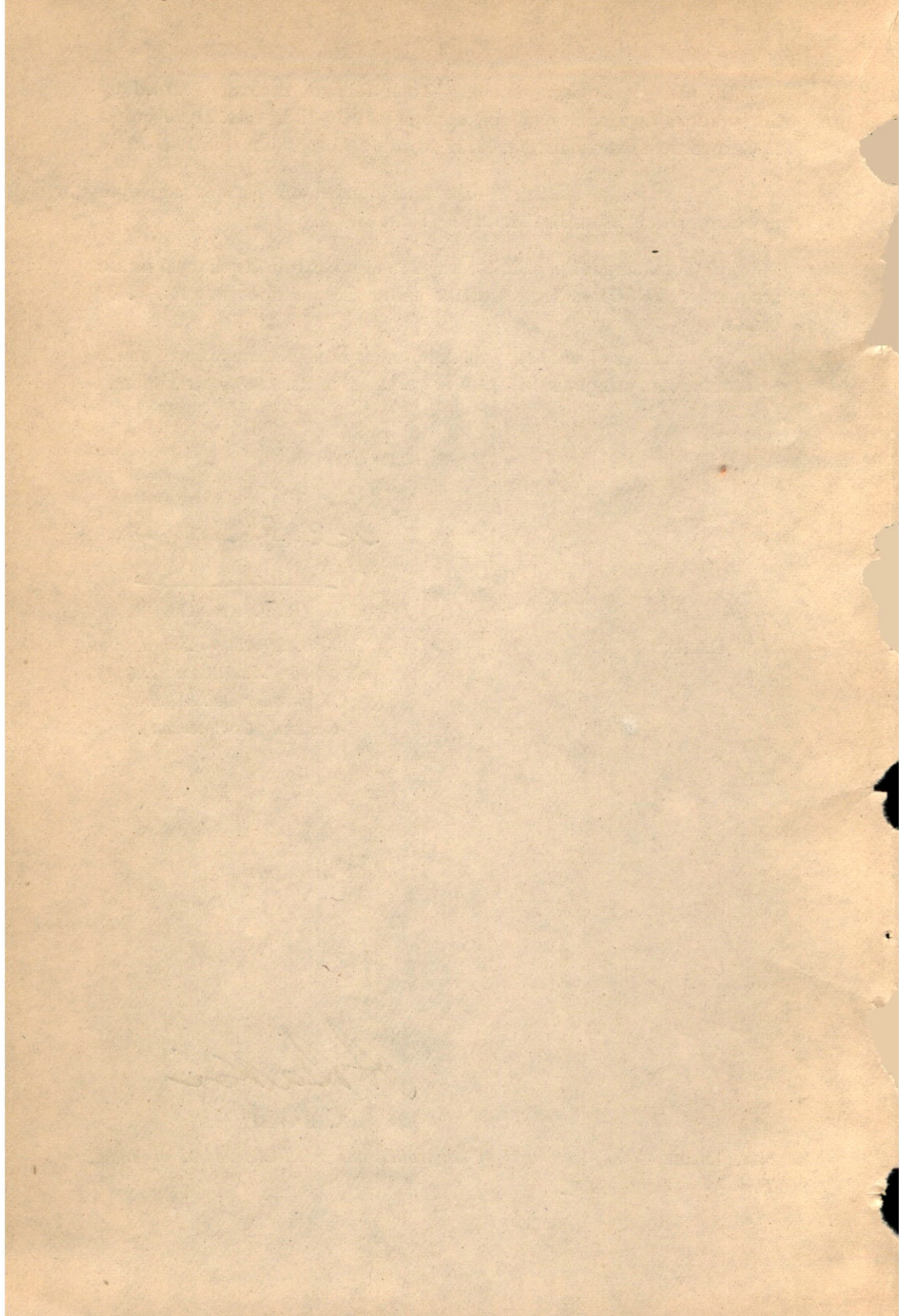
Countersigned



(A. BAKSI)

Comptroller and Auditor General of India.

NEW DELHI;
The 24th Nov., 1972.



ANNEXURE 'A'

List of Companies/Corporations in which Government have invested Rs. 1 crore or above but which are not subject to audit by the Comptroller and Auditor General of India.

Sl. No.	Name of Company/Statutory Corporation	Total investment up to 1970-71	Remarks
1.	Oil India Limited	14,00,00,000 9,41,20,000	Debentures.
2.	India Explosives Limited	2,74,00,000	Includes Rs. 24 lakhs value of bonus shares issued on 15-9-1966.
3.	Jessop and Company Limited	6,31,70,787	
4.	Lube India Limited	2,40,00,000	
5.	British India Corporation Limited	1,05,97,731	
6.	Life Insurance Corporation of India	5,00,00,000	
7.	Food Corporation of India	65,47,53,156	
8.	Reserve Bank of India	5,92,71,525	

ANNEXURE

SUMMARISED FINANCIAL RESULTS OF

Sl. No.	Name of the Company	Name of the Ministry	Date of incorporation	Total capital invested	Profit (+) Loss (-)	Total interest charged to Profit and Loss Account	Interest on long-term loans
1	2	3	4	5	6	7	8
1. RUNNING CONCERNS							
A. INDUSTRIAL							
<i>Engineering</i>							
1.	Hindustan Machine Tools Limited	Ministry of Industrial Development	7-2-1953	34,62,80	(+) 30,78	1,60,48	1,08,30
2.	Heavy Electricals (India) Limited	Do.	29-8-1956	1,25,50,03	(-) 5,78,19	5,44,86	4,85,51
	Bharat Heavy Electricals Limited	Do.	13-11-1964	1,76,85,24	(+) 64,99	6,16,79	7,20,00

'B'

GOVERNMENT COMPANIES FOR THE YEAR 1970-71

(Figures in thousands of Rupees)

Total return on capital invested (6+8)	Percentage of total return on capital invested	Capital employed	Total return on capital employed (6+7)	Percentage of total return on capital employed	Remarks
9	10	11	12	13	14
(+) 1,39,08	4.0	42,55,52	(+) 1,91,26	4.5	
(-) 92,68	..	63,45,87	(-) 33,33	..	<p>1. Bills in respect of 293 insurance claims pending on 31st March, 1971 have not been raised as the amounts relating thereto have not yet been ascertained. No provision has been made in the accounts.</p> <p>2. The contracted sale price in some cases has not been finally settled with the customers. The margin of profit assumed in respect of the 'Purchases resold' has gone to the credit of revenues this year, in spite of the possibility of overall losses on many of these contracts.</p> <p>3. "Sales" and "Sundry Debtors" include Rs. 598.91 lakhs as estimated by the Sales Engineers, for portions of equipment despatched but not billed as they are not billable under the terms of the contracts. The corresponding excise duty of Rs. 7.07 lakhs though not billed, is included in Sundry Debtors.</p> <p>4. Interest in respect of delayed payments during 1965 to 1967 of interest on loans from Government of India has not been provided for to the extent of Rs. 2.42 lakhs, since the matter is under correspondence with the Government of India.</p>
(+) 7,84,99	4.4	1,38,56,88	(+) 6,81,78	4.9	<p>1. No provision has been made in the accounts in respect of :-</p> <p>(a) Gratuity in respect of employees who have rendered qualifying period of service but are not likely to retire in the next five years (amount not ascertainable).</p> <p>(b) Sales tax liability for the pending assessments (amount indeterminate) (Hardwar and Tiruchi Units).</p> <p>(c) Uttar Pradesh Professional Tax, if any, payable by Russian Consultants (Hardwar Unit).</p>

1	2	3	4	5	6	7	8
4.	Hindustan Cables Limited	Ministry of Industrial Development	4-8-1952	9,23,71*	(+) 11,97	49,06	4,55
5.	National Instruments and Ophthalmic Glass Limited	Do.	26-6-1957	8,19,12	(-) 1,34,77	31,33	28,21
6.	Heavy Engineering Corporation Limited	Ministry of Steel and Mines	31-12-1958	2,61,21,80	(-) 14,43,05	10,41,64	9,84,30

9	10	11	12	13	14
					<p>(d) Penal interest payable to the Government of India for non-payment of instalments on due dates amounting to Rs. 9.63 lakhs. Government has been approached to waive the same.</p> <p>(e) For Income tax on engineering fee paid/payable to foreign collaborators Rs. 5.80 lakhs (Tiruchi and Hyderabad Units).</p> <p>2. Physical verification of finished goods has not been carried out as on 31-3-1971 (Tiruchi Unit).</p> <p>3. Adjustments have not been made in the accounts for 565 claims lodged with the underwriters for damages/shortages in transit as the value was not readily ascertainable (Hardwar Unit).</p>
(+) 16,52	1.8	11,87,78	(+) 61,03	5.1	<p>*1. Includes Rs. 4,00,000 representing advance from Government.</p> <p>2. Sales which were mainly on provisional basis include a sum of Rs. 144.56 lakhs for which no bills have been raised but credit has been taken on a provisional basis. Sundry debtors include a sum of Rs. 215.96 lakhs for which no bills have been raised.</p>
(-) 1,06,56	..	4,83,11	(-) 1,03,44	..	<p>No amount has been stated in respect of debts considered doubtful of recovery for Instruments Plant as this has not been separately ascertained but included under debts considered good. The debts considered good in respect of the Instruments Plant include Rs. 81,734 for which a civil suit has been filed for recovery.</p>
(-) 4,58,75	..	1,67,44,44	(-) 4,01,41	..	<p>1. No provision for doubtful debit balances and advances amounting to Rs. 25.85 lakhs on various accounts has been made.</p> <p>2. No provision has been made in respect of the liability for the Corporation's contribution to employees Provident Fund on the <i>ad hoc</i> dearness allowance paid to the employees as the matter is pending consideration of the Central Government (amount not ascertainable).</p> <p>3. Provision has not been made for penal interest amounting to Rs. 4.93 lakhs in respect of delayed payment of interest on loan for working capital, as the Government of India have not yet exercised the right for levying penal interest in terms of the Loan Agreement.</p> <p>4. No provision has been made in the accounts for sales tax liability on items despatched to the customers which are yet to be billed as such taxes will be accounted for as and when bills will be preferred on the customers. The amount of this liability is not readily ascertainable.</p> <p>5. No provision has been made in the accounts for income tax on payments made to the foreign collaborators on various accounts as the amount of the liability, if any, is not determinable. (Heavy Machine Tools Plant).</p>

1	2	3	4	5	6	7	8
7. Mining and Allied Machinery Corporation Limited'	Ministry of Steel and Mines	1-4-1965	60,92,45	(-) 6,45,30	2,44,45	2,38,61	
8. Tungabhadra Steel Products Limited	Do.	20-2-1960	1,20,35	(+) 1,17	4,38	..	
9. Hindustan Aeronautics Limited	Ministry of Defence	1-10-1964	2,30,77,71	(+) 4,69,04	3,67,25	3,69,90	

9	10	11	12	13	14
					<p>6. Stores valued at Rs. 50.64 lakhs have been declared surplus in Headquarters, Foundry Forge Plant and Heavy Machine Building Plant. Provision for the anticipated loss, if any, has not been made in the accounts in view of the non-ascertainment of the realizable value of the surplus stores, except in the case of Heavy Machine Building Plant in which case a provision of Rs. 0.74 lakh has been made.</p>
					<p>7. Sales and Sundry debtors in respect of Foundry Forge Plant, Heavy Machine Building Plant and Heavy Machine Tools Plant include Rs. 658.16 lakhs not billed to customers, as in some cases, part supplies have been made or prices are under negotiation, or firm orders have not been received from customers.</p>
					<p>8. No provision has been made in respect of electricity surcharge amounting to Rs. 19 lakhs claimed by the Bihar State Electricity Board as the claim is under dispute (Foundry Forge Plant).</p>
					<p>9. Claims have been preferred against the Corporation for Central Excise Duty @ Rs. 125 per M.T. for Rolled Stock as against Rs. 50 per M.T. admitted by the Corporation in the returns submitted. No provision has been made for the difference in liability as the claim is under dispute (Foundry Forge Plant).</p>
(-) 4,06,69	..	27,15,21	(-) 4,00,85	..	<p>1. No provision has been made for probable loss on the disposal of certain surplus items of plant and machinery valued at Rs. 23.78 lakhs (gross) approximately.</p>
					<p>2. Stores and stocks worth Rs. 141.22 lakhs were not physically verified during the year.</p>
					<p>3. Stock-in-transit of Rs. 213.84 lakhs (of which Rs. 75.05 lakhs relates to previous years) valued on provisional rates is in respect of sales to Public Sector Units for which contracts have not yet been finalised and bills not raised pending settlement of price, etc.</p>
(+) 1,17	1.0	1,82,55	(+) 5,55	3.0	<p>1. Employees' Gratuity liability accrued up to 31-3-1971 amounted to Rs. 10.84 lakhs as against only Rs. 1.50 lakhs provided in the accounts.</p>
					<p>2. No provision has been made in the accounts for probable loss on certain items of closing stocks and stores valued at Rs. 2.86 lakhs (approx.) which have not moved for more than three years as on 31-3-1971. Included therein are stocks and stores (estimated value Rs. 82,000) taken over in 1960 from Tungabhadra Board.</p>
(+) 8,38,94	3.6	1,63,99,05	(+) 8,36,29	5.1	<p>1. The value of assets and liabilities of the Aircraft Manufacturing Depot, Kanpur (taken over with effect from 1-6-1964) was incorporated in the accounts as per provisional valuation (Assets Rs. 775.43 lakhs and liabilities Rs. 90.41 lakhs). Shares worth Rs. 240 lakhs have been allotted as part-consideration. The valuation finalised by the Government of India vide Ministry of Defence letter dated 31st December, 1968 (Assets</p>

1	2	3	4	5	6	7	8	
10.	Bharat Earth Movers Limited	Ministry of Defence	11-5-1964	28,22,09	(+) 4,88,44	80,60	52,96	
11.	Praga Tools Limited	Do.	28-5-1943	6,70,10*	(-) 19,12	31,36	20,74	
12.	Bharat Limited	Electronics	Do.	21-4-1954	24,14,46	(+) 5,20,79	58,37	43,57

9	10	11	12	13	14
					Rs. 796.90 lakhs and liabilities Rs. 0.74 lakh) has not been adjusted in the accounts as the Company has contested the valuation of some of the assets and certain liabilities.
					2. The 'work-in-progress' includes Rs. 13.16 lakhs in respect of Gliders. This includes (i) Rs. 8.90 lakhs being the expenditure incurred on Gliders which were originally ordered by the Ministry of Defence and later cancelled and (ii) Rs. 2.80 lakhs relating to adjustment in respect of Gliders sold in the pre-company period and recoverable from the Government of India.
					3. No provision has been made for :-
					(i) Claims amounting to Rs. 121.60 lakhs (approx.) under the payment of Bonus Act, at Bangalore Division for the accounting years 1964-65 to 1970-71 pending final decision by the Industrial Tribunal.
					(ii) Interest accrued but not due (Rs. 43.38 lakhs) on deferred payment liabilities in respect of aircraft components, jigs, tools, fixtures, licence fees, etc., payable to U.S.S.R. authorities, as it is payable by the Government of India.
					(iii) Sales tax on sale of aircraft, etc. to Indian Air Force as the matter is under dispute with sales tax authorities and/or negotiation with the Government of India. Sales tax, if levied, is recoverable from Indian Air Force.
					(iv) Extra freight payable to U.S.S.R. authorities, if any, for transportation of cargoes around the Cape of Good Hope instead of through Suez Canal (due to its closure) wherever full details are not available.
(+) 5,41,40	19.2	27,94,58	(+) 5,69,04	20.4	
(+) 1,62	0.2	6,71,54	(+) 12,24	1.8	*1. Includes Rs. 97,450 received on forfeited shares.
					2. The Company is contingently liable for certain cancelled share certificates re-circulated and transfers wrongly effected, the amount of which has not been determined.
					3. No provision has been made for the amount payable in respect of 195 acres and 33 guntas of land handed over by the State Government in 1962-63 as the amount has not been determined.
					4. The closing stock of raw materials includes Rs. 1,93,126 being the value of castings to be replaced by the suppliers some of which are pending replacement over a year.
					5. No provision has been made of the present liability in respect of future payments of gratuity to employees (amount not determined).
(+) 5,64,36	23.4	25,68,04	(+) 5,79,16	22.6	

1	2	3	4	5	6	7	8
13.	Hindustan Teleprinters Limited	Ministry of Communications	14-12-1960	4,29,41	(+)1,26,24	9,77	9,77
14.	Indian Telephone Industries Limited	Do.	25-1-1950	18,33,98	(+)3,80,99	55,44	24,65
15.	Electronics Corporation of India Limited,	Department of Atomic Energy	11-4-1967	4,25,04	(+)13,64	10,83	3,18
16.	Instrumentation Limited	Ministry of Industrial Development	21-3-1964	8,79,62	(+)1,55,00	16,24	16,21
17.	Triveni Structurals Limited	Ministry of Steel and Mines	3-7-1965	7,24,72	(-)69,03	28,56	21,31
18.	Machine Tool Corporation of India Limited	Ministry of Industrial Development	11-1-1967	4,91,00*	(-)35,29	96	2,55
TOTAL				10,15,43,63	(-)6,61,70	33,52,37	31,34,32
Figures for the year 1969-70				9,67,85,63	(-)20,78,56	30,72,47	29,26,08
<i>Chemicals</i>							
19.	The Fertilizer Corporation of India Limited	Ministry of Petroleum and Chemicals	1-1-1961	2,45,32,07	(+)1,66,59	3,58,61	6,62,95

9	10	11	12	13	14
(+)1,36,01	31.7	4,32,98	(+)1,36,01	31.4	
(+)4,05,64	22.1	21,17,98	(+)4,36,43	20.6	
(+)16,82	4.0	4,27,42	(+)24,47	5.7	1. All items of closing work-in-progress have been valued this year 'At or below cost' except for work on 'Rajasthan Atomic Power Project Contract I' which, as in previous years, has been valued 'At Proportionate Sale Value'. The total booked cost on the contract up to 31-3-1971 is lower than the Proportionate Sale Value by Rs. 2.29 lakhs approximately.
					2. Claims amounting to Rs. 1.13 lakhs (approximately) from Bhabha Atomic Research Centre, provisionally accepted by the Company have not been dealt with in the accounts pending further scrutiny and allocation of the same.
(+)1,71,21	19.5	7,87,28	(+)1,71,24	21.8	Pending sales tax assessments since 1967-68 there may arise a liability for want of 'C' forms under Central Sales Tax or for sales tax itself which being unascertainable has not been accounted for.
(-)47,72	..	6,22,17	(-)40,47	..	
(-)32,74	..	3,93,79	(-)34,33	..	*Includes Rs. 49,00,000 share application money pending allotment.
(+) 24,72,62	2.4	7,29,86,19	(+) 26,90,67	3.7	
(+) 8,47,52	0.9	6,70,23,61	(+) 9,93,91	1.5	
(+) 8,29,54	3.4	1,48,28,28	(+) 5,25,20	3.5	1. Under agreements with non-resident parties for capital works, taxes, if any, arising out of their contracts with the Corporation will be payable by the Corporation. Against an estimated tax liability of Rs. 19.45 lakhs which has been provided in the accounts (by way of capitalisation), payments amounting to Rs. 85.86 lakhs have been made by Trombay Unit under protest in respect of demands raised on foreign contractors by the Tax Authorities. In this connection a suit has been filed against the foreign contractor in the High Court of Bombay. Appeals have been preferred against further demands amounting to Rs. 76.29 lakhs (Trombay Rs. 32.74 lakhs, Durgapur Rs. 25.78 lakhs and Namrup Rs. 17.77 lakhs) raised by Tax Authorities in respect of which no payment has been made.
					2. No provision has been made in the accounts in respect of the estimated accruing liability amounting to Rs. 216 lakhs as on 31-3-1971 for retiring gratuities contingently payable in future in accordance with the Corporation's rules. The amount of gratuity actually paid during the year has, however, been charged in the accounts.
					3. Net difference in stock valued at Rs. 47.64 lakhs (shortage Rs. 96.05 lakhs and excess Rs. 48.41 lakhs) detected as a result of physical verification of finished goods, semi-finished goods, raw materials and packing

1	2	3	4	5	6	7	8
20.	The Fertilisers and Chemicals, Travancore Limited	Ministry of Petroleum and Chemicals	22-9-1943	73,91,80* (—)	1,89,38	1,67,07	3,31,62
21.	Hindustan Antibiotics Limited	Do.	30-3-1954	8,55,12 (+)	18,92	27	..
22.	Indian Drugs and Pharmaceuticals Limited	Do.	5-4-1961	57,64,24 (—)	7,84,88	3,67,17	2,24,45
23.	Hindustan Insecticides Limited	Do.	11-3-1954	2,96,50 (+)	15,89	..	..
24.	Indian Rare Earths Limited	Department of Atomic Energy	18-8-1950	4,49,52* (+)	44,00	8,37	7,77

9	10	11	12	13	14
					materials at various Units of the Corporation have been adjusted in the accounts.
					4. The inventory includes surplus stores/spares (some of which are obsolete) at Sindri and Nangal Units valued at Rs. 69.63 lakhs, which on disposal may not fetch full book value. Loss, if any, on such disposal will be adjusted in the year of disposal.
					5. The finished goods as on 31st March, 1971 have been valued at the unit cost determined on an annual basis, whereas in the previous year such goods were valued on 'First in First out' basis applying unit cost determined monthly. Consequently the profit of the Corporation, if computed on the method adopted in the previous year would have been lower by Rs. 19 lakhs.
(+) 1,42,24	1.9	34,96,09 (-)	22,31	..	*1. Includes Rs. 5,17,00,000 received from the Government of India pending allotment of shares.
					2. No provision has been made for surplus and obsolete stores amounting to Rs. 18.58 lakhs included in the general stores amounting to Rs. 235.33 lakhs.
(+) 18,92	2.2	8,36,26 (+)	19,19	2.3	
(-) 5,60,43	..	50,77,02 (-)	4,17,71	..	1. The liability, if any, towards payment of income tax in respect of non-residents whose stay exceeded one year has not been provided in respect of those technicians who arrived in India after 31-12-1969 pending disposal of application for exemption.
					2. No liability has been provided in the accounts in respect of Provident Fund of those employees who are eligible but have not become members.
(+) 15,89	5.4	2,91,30 (+)	15,89	5.5	
(+) 51,77	11.5	4,39,12 (+)	52,37	11.9	*1. Includes Rs. 25,00,000 received from the Government of India for issue of shares.
					2. Documents vesting property in assets taken over from Travancore Minerals Limited (in liquidation) and Hopkin and Williams (Travancore) Limited, have not been executed and no provision has been made for stamp duty, registration fee, tax liabilities, etc.
					3. No provision has been made for :—
					(a) Claims of employees at Minerals Division, Quilon, pending finalisation of agreement (amount unascertained).
					(b) Additional gratuity for employees of Rare Earths Division, Alwaye, under the Kerala Industrial Employees Payment of Gratuity Act, 1970 amounts to Rs. 1,51,210. It is contended that the Act is not applicable to Minerals Division, Quilon.

1	2	3	4	5	6	7	8
25.	Uranium Corporation of India Limited	Department of Atomic Energy	4-10-1967	9,38,42 (+)	39,66	15,43	15,43
26.	Hindustan Salts Limited (year ending 30-9-1970)	Ministry of Industrial Development	12-4-1958	1,78,81 (—)	25	..	..
27.	National Newsprint and Paper Mills Limited	Do.	25-1-1947	12,01,05* (—)	52,25	25,54	44,77
28.	Hindustan Photo Films Manufacturing Company Limited	Do.	30-11-1960	17,18,28 (—)	2,72,99	1,06,64	72,39
TOTAL				4,33,25,81 (—)	10,14,69	10,49,10	13,59,38
Figures for the year 1969-70				3,66,17,54 (—)	9,87,31	10,24,97	11,84,77
<i>Mining and Minerals</i>							
29.	National Coal Development Corporation Limited	Ministry of Steel and Mines	5-9-1956	1,94,85,61* (—)	1,73,19	2,51,46	4,39,52

	9	10	11	12	13	14
(+)	55,09	5.9	9,01,87 (+)	55,09	6.1	No adjustment has been made in the accounts for land measuring 194.89 acres under the possession of the Company as the cost thereof has not been ascertained and land has not been formally transferred so far. In addition, the Company is in possession of 630 acres of lease-hold land for mining purposes for which necessary application has been sent to Mining Commissioner, Government of Bihar for grant of mining rights and the premium, if any, when determined will be adjusted in the accounts.
(-)	25	..	1,09,77 (-)	25	..	
(-)	7,48	..	7,84,45 (-)	26,71	..	*1. Includes Rs. 4,30,152 on account of forfeited shares. 2. Depreciation has not been provided on machinery of Rs. 2,21,386 installed but not commissioned.
(-)	2,00,60	..	11,17,62 (-)	1,66,35	..	
(+)	3,44,69	0.8	2,78,81,78 (+)	34,41	0.1	
(+)	1,97,46	0.5	2,71,97,04 (+)	37,66	0.1	

(+) 2,66,33 1.4 1,83,54,57 (+) 78,27 0.4 *1. Includes Rs. 3,19,09,530 due to the Government of India to be adjusted against issue of shares.

2. Kathera and Swang washeries, though completed during the year, have not been brought to revenue resulting in the capitalisation of revenue expenses like maintenance, interest, etc. amounting to Rs. 1,12,33,160/- (net) during the year.

3. Expenses relating to suspended and closed mines as detailed in schedule VII-B to the Balance Sheet have not been written off in the accounts but have been carried forward.

4. No adjustment has been made in the accounts in respect of loss of goods by theft aggregating Rs. 5,96,464/- during 1970-71 as the cases are still under investigation.

5. No provision has been made for :-

- (a) Royalty amounting to Rs. 46,52,949/- for coal despatched from two collieries pending determination of the State Government's right to royalty, the rate thereof and the compensation payable by them in terms of Zamindari Abolition Act.
- (b) Consequent on the devaluation of Sterling a sum of Rs. 9,54,788/- being deduction from value of rupee contracts with East European Countries for services, pending final decision of the Government.

1	2	3	4	5	6	7	8	
30.	Neyveli Lignite Corporation Limited	Ministry of Steel and Mines	14-11-1956	1,73,25,99	(—)	10,73,24	5,88,08	5,79,20
31.	National Mineral Development Corporation Limited	Do.	15-11-1958	59,92,67*	(—)	3,59,61	84,40	99,74
32.	Manganese Ore (India) Limited	Do.	22-6-1962	2,94,82	(+)	12,99	1	..
33.	Pyrites, Phosphates and Chemicals Limited	Do.	22-3-1960	8,57,20	(—)	28,03	16,54	16,48
34.	Hindustan Zinc Limited	Do.	10-1-1966	15,53,45*	(—)	1,17,74	52,91	48,62

9	10	11	12	13	14
					(c) Claims amounting to Rs. 5,87,242/- for land acquired up to 31st March, 1971.
					(d) Compensation for the forest land for Rs. 5,09,453/- as the matter is disputed (Korba Partnership).
(-) 4,94,04	..	1,44,73,12	(-) 4,85,16	..	As a result of the Supreme Court's order holding certain provisions of the Madras Lignite (Acquisition of Land) Act, 1953, invalid, the Company may have to pay extra compensation for the land so acquired without complying with the provisions of the Land Acquisition Act of 1894. The amount of extra compensation so payable is estimated at Rs. 25 lakhs for which no provision has been made in the accounts.
(-) 2,59,87	..	40,44,04	(-) 2,75,21	..	*1. Includes Rs. 1,19,00,000 share application money. 2. The loss of Rs. 3,59,60,986.39 does not take into account the stores of the value of Rs. 1.18 lakhs which had been issued to the contractors and consumed in repair and maintenance works but were not adjusted. 3. No provision has been made in the accounts in respect of: (i) Estimated amount of Rs. 1,43,500 payable to Madhya Pradesh State Government towards Cost of land and compensation for land submerged by Majhgawan Dam at Panna. (ii) Increase in wages since 1-4-1970 due to implementation of Wage Structure Revision Committee's recommendations pending settlement with the employees unions. The amount involved is Rs. 80 lakhs approximately. 4. During the year 47 wagons remained missing as on 31-3-1971 containing 2,660.27 M.T. of ore valued at about Rs. 1,46,314 which is included in closing stock.
(+) 12,99	4.4	2,85,57	(+) 13,00	4.6	
(-) 11,55	..	5,61,67	(-) 11,49	..	
(-) 69,12	..	12,91,08	(-) 64,83	..	*1. Includes Rs. 73,50,000 share application money. 2. The value of the assets and liabilities as acquired from the Metal Corporation of India Limited under the Metal Corporation of India (Acquisition of the Undertaking) Act, 1966, the provision for compensation payable to them and the loss as shown in the accounts is provisional and subject to adjustment depending upon the final agreement that may be arrived at in the matter of compensation between the Government of India and the Metal Corporation of India Limited.

1	2	3	4	5	6	7	8
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TOTAL

Figures for the year 1969-70

4,55,09,74	(—)	17,38,82	9,93,40	11,83,56
4,16,24,18	(—)	1,72,11	9,50,53	12,02,57

Shipping and Transport

35. Mogul Line Limited (year ending 31-12-1970)	Ministry of Shipping and Transport	2-8-1877 (Became Government Company on 16-8-1960)	10,01,59 (+)	50,39	27,77	27,77
36. Shipping Corporation of India Limited	Do.	2-10-1961	1,40,18,80 (+)	7,40,63	2,27,07	2,75,58
37. Central Road Transport Corporation Limited,	Do.	6-3-1964	1,95,22 (—)	22,90	5,91 *	5,91
38. Central Inland Water Transport Corporation Limited	Do.	22-2-1967	9,10,02 (—)	1,08,55	81,95	59,32

9	10	11	12	13	14
(-) 5,55,26	..	3,90,10,05	(-) 7,45,42	..	3. The liability on account of royalty on sulphur (estimated amount Rs. 4.00 lakhs) has not been provided for in the accounts as the Company has taken up the question of payment of this amount with the State Authorities because the Company has been advised that it is not legally liable for this payment.
(+) 10,30,46	2.5	3,38,67,23	(+) 7,78,42	2.3	4. 1,193 tonnes of concentrate valued at Rs. 10,87,300 found short during physical verification in December, 1970 has been written off pending investigation.
(+) 78,16	7.8	9,57,07	(+) 78,16	8.2	5. No adjustment has been made in the accounts for differences in quantities sent to and received by one unit from another in the case of Lead concentrate (49.4 M.T.) and Zinc concentrate (247.4 M.T.) valued at Rs. 2,81,000 approximately.
(+) 10,16,21	7.2	1,17,45,42	(+) 9,67,70	8.2	1. No provision has been made in the accounts for the estimated increased liability of the Company in respect of contracts for purchase of Fleet where payments are to be made in foreign currencies and the rates of exchange of such currencies with the Indian Rupee have changed as a result of the recent "floating" of such currencies.
(-) 16,99	..	95,92	(-) 16,99	..	2. In the absence of accounts from Lacadive Administration for income earned and expenses incurred by them in respect of m.v. "Amindivi", the same have not been incorporated in the accounts for the year.
(-) 49,23	..	2,82,79	(-) 26,60	..	1. Cost of one Tipper Truck received from Government of India is not included in the assets as the price has not yet been intimated and consequently no depreciation has been charged.
					2. Liability in respect of demands of Income tax amounting to Rs. 1,13,923 for the assessment years 1965-66 and 1966-67 has not been provided for in the accounts. Appeals against these demands are pending.
					1. No provision has been made for gratuity payable on retirement as the Company intends to treat gratuity paid on cash basis.
					2. No provision has been made for deterioration in the old and obsolete materials worth Rs. 18,39,493 included in the stock which may be sold or melted for use in the foundry.

1	2	3	4	5	6	7	8	
TOTAL					1,61,25,63 (+)	6,59,57	3,42,70	3,68,58
Figures for the year 1969-70					1,26,86,83 (+)	4,95,40	2,75,73	2,81,84
<i>Ship-building and Repairing</i>								
39.	Hindustan Shipyard Limited	Ministry of Shipping and Transport	21-1-1952	11,27,02 (+)	5,70	1,11	20,47	
40.	Mazagon Dock Limited	Ministry of Defence	26-2-1934	12,09,07 (+)	72,87	59,71	44,54	
41.	Garden Reach Workshops Limited	Do.	26-2-1934	9,06,31 (+)	71,26	21,36	12,16	
TOTAL					32,42,40 (+)	1,49,83	82,18	77,17
Figures for the year 1969-70					27,17,02 (+)	1,20,89	67,62	66,15
<i>Steel</i>								
42.	Hindustan Steel Limited	Ministry of Steel & Mines	19-1-1954	10,37,83,96 (-)	5,40,61	27,53,33	26,75,58	
TOTAL					10,37,83,96 (-)	5,40,61	27,53,33	26,75,58
Figures for the year 1969-70					10,74,52,67 (-)	10,47,28	29,45,84	29,00,70
<i>Petroleum and Oils</i>								
43.	Indian Oil Corporation Limited	Ministry of Petroleum and Chemicals	30-6-1959	1,71,50,05 (+)	20,32,28	4,82,09	3,66,48	

9	10	11	12	13	14
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3. Interest liability on arrear P.F. contributions has not been provided for as the actual amount for the same has not been ascertained.

4. Fixed assets include Vessels impounded in Pakistan (Book value Rs. 32,94,519) and stationed in the then East Pakistan (Book value Rs. 76,001).

(+)	10,28,15	6.4	1,30,81,20	(+)	10,02,27	7.7
(+)	7,77,24	6.1	1,11,31,98	(+)	7,71,13	6.9

(+)	26,17	2.3	8,75,96	(+)	6,81	0.8
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(+)	1,17,41	9.7	12,93,88	(+)	1,32,58	10.2
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The valuation (cost) of New Construction included in work-in-progress is inclusive of overheads. Work-in-progress on yard Nos. 228, 248 and 274 includes an element of profit on work done.

(+)	83,42	9.2	10,78,03	(+)	92,62	8.6
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An amount of Rs. 8,70,000 was provided in the accounts for payment of bonus at 4% as required by law and as per previous practice. According to agreement signed by the Management on 2-9-1971 the liability on account of payment of bonus would amount to Rs. 25,00,000.

(+)	2,27,00	7.0	32,47,87	(+)	2,32,01	7.1
(+)	1,87,04	6.9	25,04,73	(+)	1,88,51	7.5

(+)	21,34,97	2.1	8,54,97,31	(+)	22,12,72	2.6
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As the entire export stock was not physically verified, a portion of the said stock has been taken in the accounts on the basis of balance shown by records maintained by the concerned units of Sales Division. However, a provision of Rs. 98,74,680 has been made in the accounts to cover any possible loss in respect of such stocks.

In the absence of physical verification, import stock as on 31-3-1971 has been taken as per book balance.

(+)	21,34,97	2.1	8,54,97,31	(+)	22,12,72	2.6
(+)	18,53,42	1.7	8,91,46,83	(+)	18,98,56	2.1

(+)	23,98,76	14.0	1,72,23,16	(+)	25,14,37	14.6
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1. No account has been taken for Income tax liability on profit on foreign contractors to be reimbursed to them by the Company, as the amount of their tax liability is not ascertainable. The Company has, however, made an advance of Rs. 5 lakhs to the contractors for payment of advance income tax.

1	2	3	4	5	6	7	8	
44.	Cochin Refineries Limited (year ending 31-8-1970)	Ministry of Petroleum and Chemicals	6-9-1963	26,54,41	(+)	2,49,12	83,23	82,03
45.	Madras Refineries Limited (year ending 30-6-1971)	Do.	30-12-1965	38,39,71	(+)	4,05,01	1,60,38	1,59,41

46.	Lubrizol India Limited	Do.	20-7-1966	1,65,44*	(+)	62,04	10,06	3,36
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TOTAL				2,38,09,61	(+)	27,48,45	7,35,76	6,11,28
Figures for the year 1969-70				2,39,02,64	(+)	19,50,05	7,90,84	7,35,85

Construction Undertakings

47.	Hindustan Housing Factory Limited	Ministry of Works and Housing	27-1-1953	1,09,03	(+)	17,46	1,51	1,51
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9	10	11	12	13	14
					<p>2. Closing stock includes stock of tin plates of the value of Rs. 1.34 lakhs lying with a contractor who contends that no stock is lying with him.</p> <p>3. The sundry debtors remain over-stated by Rs. 12.48 lakhs with corresponding under statement of charges on account of excise duty repayable, retail pump outlet charges and prompt payment discount.</p> <p>4. Purchase and transfer under product exchange Rs. 1,87,41,74,497 has been arrived at after taking credit for a sum Rs. 168.41 lakhs on account of C & F adjustments. The credit taken is overstated by Rs. 5.23 lakhs.</p>
(+) 3,31,15	12.5	25,70,80	(+) 3,32,35	12.9	
(+) 5,64,42	14.7	37,65,26	(+) 5,65,39	15.0	<p>The price for 34° API crude up to 14-11-1970 was \$ 1.35/bbl. The crude suppliers namely, National Iranian Oil Company and Pan American International Oil Company, have invoiced the Company at a price of \$ 1.41/bbl F.O.B. for the period 14-11-1970 to 14-2-1971, \$ 1.80666/bbl for the period 15-2-1971 to 31-5-1971 and \$ 1.91/bbl for the period 1-6-1971 to 30-6-1971 relevant to the Company's financial year 1970-71. The question of price is under discussion between the parties to the Agreement. Pending settlement, the Company is paying for the crude on the basis of pre 14-11-1970 price. The difference between the price as actually paid and the price invoiced amounting to about Rs. 2.13 crores for the quantities of crude oil involved is shown under contingent liabilities.</p>
(+) 65,40	39.5	2,98,61	(+) 72,10	24.1	*1. Includes Rs. 14,800 received against issue of shares pending allotment.
(+) 33,59,73	14.1	2,38,57,83	(+) 34,84,21	14.6	<p>2. No provision has been made in the accounts in respect of the liability for gratuity payable to the employees as the amount has not been ascertained.</p>
(+) 26,85,90	11.2	2,39,59,78	(+) 27,40,89	11.4	
(+) 18,97	17.4	1,02,99	(+) 18,97	18.4	<p>1. Sundry debtors include Rs. 41,900 withheld by the contractees on account of penalties, etc., imposed for late execution of contracts and disputed claims.</p> <p>2. The contract works in progress on the date of the Balance Sheet include works for Rs. 2,26,528 completed during earlier years and pending for the finalisation of the bills.</p> <p>3. Provision for gratuity to employees does not cover full liability of the Company up to 31-3-1970 and the amount of liability has not been ascertained.</p>

1	2	3	4	5	6	7	8	
48.	National Construction Corporation Limited	Buildings Corporation	Ministry of Works and Housing	15-11-1960	3,02,64 (-)	16,35	14,76	7,86
49.	National Construction Corporation Limited	Projects Corporation	Ministry of Irrigation and Power	9-1-1957	5,26,10 (-)	1,31,59	34,49	12,00
50.	Hindustan Steelworks Construction Limited	Steelworks	Ministry of Steel and Mines	23-6-1964	1,16,57 (+)	68,67	9,14	..
TOTAL					10,54,34 (-)	61,81	59,90	21,37
Figures for the year 1969-70					11,09,06 (-)	69,29	55,91	33,31
<i>Miscellaneous</i>								
51.	Central Fisheries Corporation Limited	Corporation	Ministry of Agriculture	29-9-1965	71,00 (-)	11,96	63	63

	9	10	11	12	13	14
(-)	8,49	..	1,70,31 (-)	1,59	..	
(-)	1,19,59	..	5,19,55 (-)	1,97,10	..	

1. The fixed assets appearing in the Balance Sheet (Rs. 4,06,97,968) includes machines and vehicles amounting to Rs. 376 lakhs (approx.) at book value, a part of which was reviewed by the Company and declared surplus, obsolete or beyond economical repairs (Rs. 121.25 lakhs).

No provision has been estimated or made in the accounts for decrease in value resulting from such appraisal based on current value and estimated remaining useful life of such assets.

2. Stores amounting to Rs. 72.51 lakhs have not been utilized/moved in the last 2-3 years or more. Further, spare parts amounting to Rs. 39.64 lakhs relate to machines and vehicles declared beyond economical repair/obsolete and surplus.

3. No provision has been made in the accounts in respect of:—

(i) Penal interest Rs. 8.16 lakhs (approx.) claimed by the Directorate General of Supplies and Disposals on their outstandings; and

(ii) Penal interest (Rs. 41,548) for delayed payments of instalment and payment of interest on Government loans.

(+)	68,67	58.9	91,57 (+)	77,81	85.0
(-)	40,44	..	8,84,42 (-)	1,91	..
(-)	35,98	..	23,10,09 (-)	13,38	..

(-)	11,33	..	12,74 (-)	11,33	..
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1. No provision has been made in the accounts in respect of sundry debtors, Rs. 53,443 and loans and advances Rs. 17,666 considered bad/doubtful of recovery by the Company Auditors.

2. The lease agreement dated 1-7-1966 between Damodar Valley Corporation and the Company stipulates that all the assets of the Fisheries Department of the Damodar Valley Corporation will be acquired by the Company at their book value. The Damodar Valley Corporation has since claimed Rs. 2,44,899.32 being the written down values of the assets excluding three jetties. They have not, however, furnished the book values as stipulated in the Agreement referred to above. It has not, therefore, been possible to include the assets in the accounts of the Company. The sale proceeds of Nylon taken over from Damodar Valley Corporation have been taken into sundry trade receipts but the value of such Nylon being unknown, could neither be paid nor provided for.

3. As the book values of the assets taken over from the Damodar Valley Corporation are still undetermined, no provision for depreciation on these assets has been made in the accounts.

1	2	3	4	5	6	7	8
52.	Modern Bakeries (India) Limited	Ministry of Agriculture	1-10-1965	3,54,70* (+)	8,19	7,97	7,97
53.	Hindustan Latex Limited	Department of Family Planning	1-3-1966	1,39,25 (+)	3,93	5,17	4,38
54.	Tannery and Footwear Corporation of India Limited	Ministry of Industrial Development	22-2-1969	1,15,61 (-)	57,83	14,52	3,65
TOTAL				6,80,56 (-)	57,67	28,29	16,63
Figures for the year 1969-70				5,81,15 (-)	64,50	13,95	12,45
B. TRADING AND SERVICES							
55.	State Trading Corporation of India Limited	Ministry of Foreign Trade	18-5-1956	37,42,18 (+)	6,42,80	1,56,32	93,03
56.	Minerals and Metals Trading Corporation of India Limited	Do.	26-9-1963	15,14,76 (+)	8,57,41	26,22	4,11
57.	Cotton Corporation of India Limited	Do.	31-7-1970				
TOTAL				52,56,94 (+)	15,00,21	1,82,54	97,14
Figures for the year 1969-70				39,18,53 (+)	14,64,89	1,66,29	65,39

9	10	11	12	13	14		
(+)	16,16	4.6	3,49,20	(+)	16,16	4.6	*1. Includes Rs. 1,20,69,771 due to the Government of India for issue of shares.
							2. The provision for bonus has not been made for Cochin Unit.
(+)	8,31	6.0	1,60,37	(+)	9,10	5.7	No provision has been made for the payment of bonus for the year ending 31st March, 1971, as also for the previous year. If it is decided that any bonus be paid, the same will be paid out of the current year's profits.
(-)	54,18	..	2,00,81	(-)	43,31	..	
(-)	41,04	..	7,23,12	(-)	29,38	..	
(-)	52,05	..	6,04,06	(-)	50,55	..	

(+)	7,35,83	19.7	49,92,53	(+)	7,99,12	16.0	The Corporation was entrusted with the imports and distribution of Soyabean and Sunflower oils in 1966 and Rape Seed in 1970 on behalf of the Government of India on a service charge of 2% on landed cost. The transactions thereto have, however, been merged with sales, purchases, etc., in the accounts. <i>Pro forma</i> accounts for the year prepared on the past basis reflect a deficit of Rs. 2.84 crores after deducting the aforesaid service charges amounting to Rs. 0.68 lakh and various items of expenditure and provisions of Rs. 2.75 crores. Such items of expenditure and provisions are subject to settlement and approval by the Government. Last year the cumulative surplus of Rs. 6.24 crores arrived at on above basis on which due deduction was allowed for purposes of taxation was set aside to Government account for charging the same to the Profit and Loss Appropriation Account. There is a deficit this year of Rs. 2.84 crores recoverable from Government which will be taken into account after it has been accepted and the amount received. The liability for taxes will be provided for in the accounts after settlement of the Company's claim upon Government.
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(+)	8,61,52	56.9	16,80,89	(+)	8,83,63	52.6	1. The deed for lease of land held jointly with the State Trading Corporation of India Limited is still under finalisation. The approval of the President of India for incurring expenditure on staff quarters is also still awaited.
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2. Claims against the Company not acknowledged as debts amounting to Rs. 4,14,59,902 include Rs. 20.01 lakhs representing the liability on account of sales tax assessed by the Sales Tax Authorities for which no provision has been made in the accounts on the ground that the appeals have been preferred.

Accounts not due.

(+)	15,97,35	30.4	66,73,42	(+)	16,82,75	25.2
(+)	15,30,28	39.1	51,58,49	(+)	16,31,18	31.6

1	2	3	4	5	6	7	8
C. CONSULTANCY							
58.	Engineers India Limited	Ministry of Petroleum and Chemicals	15-3-1965	82,17	(+)69,42	..	..
59.	Water and Power Development Consultancy Services (India) Limited	Ministry of Irrigation and Power	26-6-1969	20,00	(-)1,86	..	..
TOTAL				1,02,17	(+)67,56	..	..
Figures for the year 1969-70				57,93	(+)43,13	..	..
D. FINANCIAL							
60.	Export Credit and Guarantee Corporation Limited (year ending 31-12-1970)	Ministry of Foreign Trade	30-7-1957	2,61,57	(+) 84,46	..	..
61.	Film Finance Corporation Limited	Ministry of Information and Broadcasting	25-3-1960	1,09,33	(+) 18	2,88	2,88
62.	Housing and Urban Development Corporation Limited	Ministry of Works and Housing	25-4-1970	2,00,00*	(-) 30	..	..
TOTAL				5,70,90	(+)84,34	2,88	2,88
Figures for the year 1969-70				3,06,49	(+)61,29	2,63	2,63
TOTAL OF RUNNING CONCERNS				34,50,05,69	(-)11,34,66	95,82,45	95,47,89
Figures for the year 1969-70				32,77,59,67	(-)2,83,40	93,66,78	94,11,74
II. PROMOTIONAL AND DEVELOPMENTAL UNDERTAKINGS							
63.	National Small Industries Corporation Limited	Ministry of Industrial Development	4-2-1955	24,11,50	(-)46,75	89,39	89,66
64.	National Industrial Development Corporation Limited	Do.	20-10-1954	7,06,50	(+)16,28	44,59	44,59

9	10	11	12	13	14
(+)	69,42	84.5	87,89	(+)69,42	79.0
(-)	1,86	..	17,00	(-)1,86	..
(+)	67,56	66.1	1,04,89	(+)67,56	64.4
(+)	43,13	74.5	60,95	(+)43,13	70.8
(+)	84,46	32.3	1,15,61	(+)84,46	73.1
(+)	3,06	2.8	1,02,24	(+)3,06	3.0
(-)	30	..	1,98,93	(-)30	..
*1. Share application money received from the Government of India pending allotment of shares.					
2. The accounts relate to the period from 25-4-1970 to 31-3-1971.					
(+)	87,22	15.3	4,16,78	(+)87,22	20.9
(+)	63,92	20.9	1,71,49	(+)63,92	37.3
(+)	1,06,82,55	3.1	27,43,64,86	(+)1,07,17,11	3.9
(+)	91,28,34	2.8	26,31,36,28	(+)90,83,38	3.5
(+)	42,91	1.8	21,29,04	(+)42,64	2.0
1. Debts considered doubtful of recovery in hire purchase are evaluated short by Rs. 53.65 lakhs.					
2. The value of land at P.T.C. Howrah is not included in Land and Buildings for want of details from Government Authorities.					
3. No depreciation has been charged on the buildings, etc. in Industrial Estate, Naini since inception. The amount of depreciation since inception till the end of 31-3-1971 comes to Rs. 15,29,340/.					
4. Sundry debtors considered good include Rs. 3,91,846 on account of rent overdue from some allottees in the Industrial Estate at Naini and Rs. 1,45,510 overdue from customers in the P.T.Cs. the recovery of which is doubtful.					
(+)	60,87	8.6	7,10,90	(+)60,87	8.6

1	2	3	4	5	6	7	8
65.	Rehabilitation Industries Corporation Limited	Ministry of Labour and Rehabilitation	13-4-1959	6,86,25	(-)62,63	19,15	19,15
66.	National Research Development Corporation of India	Department of Science and Technology	31-12-1953	78,00	(+)4,34	2,19	2,19
67.	National Seeds Corporation Limited (year ending 31-5-1971)	Ministry of Agriculture	19-3-1963	3,94,76	(+)22	15,75	11,00
68.	India Tourism Development Corporation Limited	Ministry of Tourism and Civil Aviation	1-10-1966	8,89,81	(+)40,24	13,67	13,67
69.	National Textile Corporation Limited	Ministry of Foreign Trade	1-4-1968	5,70,66	(+)14,92	13,93	13,93

	9	10	11	12	13	14
(-)	43,48	..	4,01,63	(-)43,48	..	<p>1. The Navajiban Transport Co-operative Society Limited, Jagdalpur has gone into voluntary liquidation. The liquidation proceedings are still in progress. As the Company is the principal creditor of the society, 4 vehicles (2 buses and 2 lorries) have been brought from Jagdalpur to Calcutta on 29-5-1969 towards part realisation of the dues. In the absence of necessary particulars value of these vehicles has not been accounted for although some of the vehicles are being used by the Company.</p> <p>2. No provision has been made on account of sundry debtors (Rs. 27,87,051), loans and advances (Rs. 21,74,572) and investments (Rs. 2,80,000) considered doubtful of realization.</p>
(+)	6,53	8.4	45,10	(+)6,53	14.5	
(+)	11,22	2.8	4,21,90	(+)15,97	3.8	<p>The Seed inventory includes certain stock of Foundation Seed valued at about Rs. 85.00 lakhs (at cost), which on present indications may prove surplus. The Government of India at whose instance the production of seed was organised have been requested to subsidise the loss which may arise due to accumulation or deterioration. No provision has been made for any loss that may arise pending Government decision.</p>
(+)	53,91	6.1	7,08,72	(+) 53,91	7.6	<p>1. The accounts relate to the period 28-3-1970 to 31-3-1971.</p> <p>2. In respect of the advances of Rs. 22,11,258 under 'Renovations and other expenditure' to the Contractors for renovations, no adjustments have been made in the year due to the non-finalisation of bills of certain contractors. Although works of the estimated value of Rs. 16,91,000 had been completed within the year, the advances outstanding are Rs. 13,38,854. As such the non-allocation of the completed works has resulted in understating of the liability and non-provision of the depreciation on the capital expenditure allocable thereon and charging of balance of revenue expenditure, if any, to the Profit & Loss Account (Ashoka Hotel).</p> <p>3. Capital work-in-progress includes Rs. 7,09,870 on abandoned Revolving Tower. Besides, a sum of Rs. 2,79,116 on account of the cost of machinery received but lying unadjusted has been shown under the head 'Loans and Advances'. No depreciation has been provided on the tower building as well as the machinery. The Management is, however, reconsidering the question of completing the Revolving Tower (Ashoka Hotel).</p> <p>4. No provision has been made for income tax of Rs. 33,067 in view of the appeal pending before the Income Tax Appellate Tribunal.</p>
(+)	28,85	5.1	6,03,77	(+)28,85	4.8	<p>No provision has been made for preliminary expenses payable to Government since the liabilities have not been ascertained.</p>

1	2	3	4	5	6	7	8
70.	State Farms Corporation of India Limited (year ending 30-6-1971)	Ministry of Agriculture	14-5-1969				
71.	Rural Electrification Corporation Limited	Ministry of Irrigation and Power	25-7-1969	32,28,70*	(+)53,04	..	..
72.	Indian Dairy Corporation	Ministry of Agriculture	13-2-1970	1,40,06	(-)27,72	..	..
TOTAL				91,06,24	(-)8,06	1,98,67	1,94,19
Figures for the year 1969-70				58,33,63	(-)22,33	1,73,45	1,69,30

III. COMPANIES UNDER CONSTRUCTION

73.	Cement Corporation of India Limited	Ministry of Industrial Development	18-1-1965	10,53,16	(-)34,19	17,51	31,73
74.	Bharat Heavy Plate and Vessels Limited	Ministry of Steel and Mines	25-6-1966	16,22,85	(-)82,16	2,39	44,46
75.	Bokaro Steel Limited	Do.	29-1-1964	5,01,98,48*	..	..	2,63,89
76.	Hindustan Organic Chemicals Limited	Ministry of Petroleum and Chemicals	12-12-1960	14,78,89	(+)9,44	34,13	34,13
77.	Madras Fertilizers Limited	Do.	8-12-1966	49,44,69*	..	..	1,86,69
78.	Hindustan Copper Limited	Ministry of Steel and Mines	9-11-1967	39,32,23*	..	..	28,53

9	10	11	12	13	14
Accounts not received.					
(+)53,04	1.6	32,28,70	(+)53,04	1.6	*1. Includes Rs. 2,00,00,000 share application money pending allotment. 2. No provision has been made for bonus to employees pending clarification of entitlement.
(-)-27,72	..	1,12,34	(-)-27,72	..	The accounts relate to the period from 13-2-1970 to 31-3-1971.
(+)1,86,13	2.0 *	83,62,10	(+)1,90,61	2.3	
(+)1,46,97	2.5	52,68,26	(+)1,51,12	2.9	
..	
(-)-2,46	..	..	..	..	1. In the case of stores and spare parts, book balances have been adopted pending reconciliation between the physical balances and store price ledgers which is in progress. 2. Depreciation has not been provided on fixed assets of Limestone Investigation Division not in use valued at Rs. 4,40,991 declared surplus and awaiting disposal. 3. Pending finalisation of all civil contracts, liability on account of consultancy fees estimated at Rs. 50,000 has not been provided for.
..	
(-)-37,70	..	..	..	..	1. No provision has been made in the accounts towards the demands raised by the Income tax authorities against the Company (as reduced in the appeal with the Assistant Commissioner) aggregating Rs. 13,07,923 as agent of M/s. SKODAEXPORT, PRAHA in respect of payments made to them for the supply of machinery, technical documentation and other services, as the appeals preferred by the Company with the Income Tax Appellate Tribunal against the said demands are pending. 2. No provision has been made towards the claim for Rs. 3.05 lakhs preferred by a contractor for escalation of contract rates on account of increase in the wages, as the same has been rejected by the management and referred to arbitration.
(+)2,63,89	0.5	..	..	..	*Includes Rs. 25,00,00,000 on account of share money pending allotment.
(+)43,57	2.9	..	..	..
(+)1,86,69	3.8	..	..	..	*Includes Rs. 1,110 on account of share capital suspense.
(+)28,53	0.7	..	..	..	*1. Includes Rs. 10,24,36,936 to be issued to the Government of India. 2. No provision has been made in the accounts in respect of :— (a) An amount of Rs. 30,79,454 out of bills aggregating Rs. 1,78,79,454 submitted by Geological Survey of India

1	2	3	4	5	6	7	8
79.	Bharat Aluminium Company Limited	Ministry of Steel and Mines	27-11-1965	16,11,90*	..	..	--
80.	Indian Petro-chemicals Corporation Limited	Ministry of Petroleum and Chemicals	22-3-1969	11,85,00*	..	..	--
81.	Bharat Pumps and Compressors Limited	Ministry of Industrial Development	1-1-1970	46,00	..	..	..
82.	Hindustan Paper Corporation Limited	Do.	29-5-1970	7,27*	(-)-1,78	..	--
83.	Bharat Dynamics Limited	Ministry of Defence	16-7-1970	75,00*	(+)-8	..	--
TOTAL OF COMPANIES UNDER CONSTRUCTION				6,61,55,47	(-)-1,08,61	54,03	5,89,43
Figures for the year 1969-70				4,62,24,16	(-)-27,21	1,19,16	2,11,67
GRAND TOTAL				42,02,67,40	(+)-10,17,99	98,35,15	1,03,31,51
Figures for the year 1969-70				37,98,17,46	(-)-3,32,94	96,59,39	97,92,71
<i>Subsidiary Companies</i>							
84.	Handicrafts and Handlooms Exports Corporation of India Limited		11-4-1958	1,52,43	(+)-3,44	14,47	4,02

9	10	11	12	13	14
					on account of prospecting and exploration investigations carried out at Khetri and Kolihan pending scrutiny and settlement thereof.
					(b) Against claim of Rs. 22,36,215 payable to the Geological Survey of India in respect of surface and ground drilling charges for the period from 1-10-1968 to 28-2-1971 adjustments to the extent of Rs. 16,02,000 only have been made pending settlement of rates.
					(c) Drilling charges payable to Geological Survey of India for work carried out by them in Kansa Area (Sukinda) pending receipt of bills—estimated liability Rs. 6,31,400.
..	..	..	..	..	*1. Includes Rs. 1,55,34,000 received from the Government of India awaiting allotment of shares.
					2. No provision in respect of future liability for gratuity to employees has been made in the accounts.
..	..	..	..	..	*Includes Rs. 27,00,000 received from the Government of India pending allotment.
..	..	..	..	..	The accounts relate to the period from 1-1-1970 to 31-3-1971.
(-)-1,78	..	..	..	..	*1. Includes Rs. 962 received from the Government of India towards share capital.
					2. The accounts relate to the period from 29-5-1970 to 31-3-1971.
(+)-8	0.1	..	..	..	*1. Includes Rs. 74,90,000 share application deposit.
					2. The accounts relate to the period from 16-7-1970 to 31-3-1971.
					3. No provision has been made in the accounts in respect of facilities afforded to the Company by Defence Research and Development Laboratory, Hyderabad as the matter regarding the quantum of charges to be recovered is under consideration of Government.
(+)4,80,82	0.7	..	..	..
(+)1,84,46	0.4	..	..	..
(+)1,13,49,50	2.7	28,27,26,96	(+)1,09,07,72	3.9	
(+)94,59,77	2.5	26,84,04,54	(+)92,34,50	3.4	
(+)7,46	4.9	2,70,59	(+)17,91	6.6	1. Subsidiary to the State Trading Corporation of India Limited.

1	2	3	4	5	6	7	8
85. Sambhar Salts Limited (year ending 30-9-1970)			30-9-1964	1,03,37	(-)3,77	49	..
86. Indian Motion Pictures Export Corporation Limited			19-9-1963	26,89	(+)5,10	3,91	..
87. Goa Shipyard Limited			26-11-1957	1,09,78	(+)17,40	3,61	2,87
88. Indian Oil International Limited (year ending 31-12-1970)			24-10-1969	1,10	(+)18	..	..
89. Indo-Burma Petroleum Company Limited (year ending 31-12-1970)			8-2-1909 (Became Government Company on 12-1-1970)	3,10,50	(+)55,24	..	..
90. Cashew Corporation of India Limited			19-8-1970	69,99	(+)73,29	..	..
91. Engineering Projects (India) Limited			16-4-1970	5,49	(-)2,45	..	..
TOTAL OF SUBSIDIARY COMPANIES				7,79,55	(+)1,48,43	22,48	6,89
Figures for the year 1969-70				3,62,14	(+)30,84	18,95	6,86

9	10	11	12	13	14
					2. No provision has been made in respect of 16% tax, prix-de-commerce, amounting to Francs 80,000 (Rs. 1,06,666) payable under the French Law for office premises of the Company in Paris, as the question of its waiver is still under consideration of the French Government.
					3. No provision has been made in respect of death-cum-retirement gratuity.
(-)3,77	..	1,16,11	(-)3,28	..	Subsidiary to the Hindustan Salts Limited.
(+)5,10	19.0	51,97	(+)9,01	17.3	1. Subsidiary to State Trading Corporation of India Limited.
					2. Provision to the extent of Rs. 4,45,744 has not been made in respect of advances considered doubtful.
(+)20,27	18.5	1,11,36	(+)21,01	18.9	Subsidiary to Mazagon Dock Limited.
(+)18	16.4	1,10	(+)18	16.4	1. Subsidiary to Indian Oil Corporation Limited.
					2. The accounts relate to the period from 24-10-1969 to 31-12-1970.
(+)55,24	17.8	2,43,86	(+)55,24	22.7	Subsidiary to Indian Oil Corporation Limited.
(+)73,29	104.7	69,99	(+)73,29	104.7	1. Subsidiary to the State Trading Corporation of India Limited.
					2. The accounts relate to the period from 19-8-1970 to 31-3-1971.
(-)2,45	..	2,99	(-)2,45	..	1. Subsidiary to Heavy Engineering Corporation Limited.
					2. The accounts relate to the period from 16-4-1970 to 31-3-1971.
(+)1,55,32	19.9	8,67,97	(+)1,70,91	19.7	
(+)37,70	10.4	5,01,86	(+)49,79	9.9	

ANNEXURE
SUMMARISED FINANCIAL RESULTS OF

Sl. No.	Name of the Corporation	Name of the Ministry	Date of incorporation	Total capital invested	Profit(+)/ Loss (-)	Total interest charged to Profit and Loss Account	Interest on long-term loans
1	2	3	4	5	6	7	8
1.	Air India	Ministry of Tourism and Civil Aviation	15-6-1953	98,83,74	(+)2,69,86	1,49,06	2,73,41
2.	Indian Airlines	Do.	15-6-1953	73,06,46	(-)4,67,60	2,87,51	2,76,60
TOTAL				1,71,90,20	(-)1,97,74	4,36,57	5,50,01
Figures for the year 1969-70				1,16,71,10	(+)4,55,44	4,46,22	4,39,89
3.	Central Warehousing Corporation	Ministry of Agriculture	March, 1957	21,01,08	(+)94,56	62,39	62,39
TOTAL				21,01,08	(+)94,56	62,39	62,39
Figures for the year 1969-70				19,20,14	(+)86,02	66,59	66,59
4.	Oil and Natural Gas Commission	Ministry of Petroleum and Chemicals	15-10-1959	2,80,60,23	(+)9,22,30	2,47,20	4,77,17
TOTAL				2,80,60,23	(+)9,22,30	2,47,20	4,77,17
Figures for the year 1969-70				2,56,28,44	(+)10,70,38	2,39,08	4,20,71
GRAND TOTAL				4,73,51,51	(+)8,19,12	7,46,16	10,89,57
Figures for the year 1969-70				3,92,19,68	(+)16,11,84	7,51,89	9,27,19

'C'

STATUTORY CORPORATIONS FOR THE YEAR 1970-71.

(Figures in thousands of rupees)

Total return on capital invested (6+8)	Percentage of total return on capital invested	Capital employed	Total return on capital employed (6+7)	Percentage of total return on capital employed	Remarks
9	10	11	12	13	14
(+)5,43,27	5.5	97,54,34	(+)4,18,92	4.3	Paid-up capital has been divided equally between equity and loan capital.
(-)-1,91,00	..	68,58,77	(-)-1,80,09	..	Paid-up capital has been divided equally between equity and loan capital.
(+)3,52,27	2.0	1,66,13,11	(+)2,38,83	1.4	
(+)8,95,33	7.7	1,09,74,74	(+)9,01,66	8.2	
(+)1,56,95	7.5	17,04,02	(+)1,56,95	9.2	Paid-up capital includes Rs. 18,885 received on forfeited shares.
(+)1,56,95	7.5	17,04,02	(+)1,56,95	9.2	
(+)1,52,61	7.9	15,35,20	(+)1,52,61	9.9	
(+)13,99,47	5.0	1,16,49,94	(+)11,69,50	10.0	
(+)13,99,47	5.0	1,16,49,94	(+)11,69,50	10.0	
(+)14,91,09	5.8	1,20,36,31	(+)13,09,46	10.9	
(+)19,08,69	4.0	2,99,67,07	(+)15,65,28	5.2	
(+)25,39,03	6.5	2,45,46,25	(+)23,63,73	9.6	

STATUTORY CORPORATIONS FOR THE YEAR 1970-71

(Figures in thousands of rupees)

Sl. No.	Particulars	1970-71	1969-70	1968-69	1967-68	1966-67
1	Total assets	1,00,000	95,000	90,000	85,000	80,000
2	Total liabilities	1,00,000	95,000	90,000	85,000	80,000
3	Capital	50,000	48,000	46,000	44,000	42,000
4	Reserves	50,000	47,000	44,000	41,000	38,000
5	Debt	50,000	47,000	44,000	41,000	38,000
6	Provisions	10,000	9,000	8,000	7,000	6,000
7	Contingent liabilities	10,000	9,000	8,000	7,000	6,000
8	Other liabilities	10,000	9,000	8,000	7,000	6,000
9	Unpaid dividends	10,000	9,000	8,000	7,000	6,000
10	Unpaid interest	10,000	9,000	8,000	7,000	6,000
11	Unpaid taxes	10,000	9,000	8,000	7,000	6,000
12	Unpaid salaries	10,000	9,000	8,000	7,000	6,000
13	Unpaid interest on debt	10,000	9,000	8,000	7,000	6,000
14	Unpaid interest on capital	10,000	9,000	8,000	7,000	6,000
15	Unpaid interest on loan capital	10,000	9,000	8,000	7,000	6,000
16	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
17	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
18	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
19	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
20	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
21	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
22	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
23	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
24	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
25	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
26	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
27	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
28	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
29	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
30	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
31	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
32	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
33	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
34	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
35	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
36	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
37	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
38	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
39	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
40	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
41	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
42	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
43	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
44	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
45	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
46	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
47	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
48	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
49	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000
50	Unpaid interest on loan capital (continued)	10,000	9,000	8,000	7,000	6,000

